

# The NATIONAL UNDERWRITER

63rd Year No. 12

—The National Weekly Newspaper of Life Insurance—

March 21, 1959

## N. Y. Minimum Deposit Draft Rules Released

NEW YORK—The New York department this week released its proposed regulation, No. 39, for curbing abuses in the sale of minimum deposit plans and has scheduled a hearing for April 8 at the department's New York office.

Most important for producers selling minimum deposit plans is the proposal that commissions be related directly to the policyholder's actual cash outlay rather than the full first year premium.

An abbreviated version of the proposed regulation follows:

Section 213, Limitation of Expenses: In case of high early cash outlay minimum deposit policy plans which provide for discriminatory first year loan values, it is recognized that in the sale of such policies such loan values are made available to reduce the cash outlay for first year premiums. Since here it is not contemplated that the policyholder will pay in cash the full premiums and since the sale may be predicated on this availability,

"first year premiums received" on high early cash value minimum deposit policies issued after July 1 are construed for the purposes of subsections 3A and 4 of section 213 and for relevant sections of schedule Q, as being equal to the contractual premiums less policy loans granted by the company prior to the end of the first policy year. This amount is designated herein as "modified first year gross premiums."

Pursuant to this construction, any company, affected thereby shall enter the modified first year gross premiums on the particular high cash value minimum deposit plan or plans in section (A) of schedule Q and also shall use the modified first year gross premiums in section (C) of schedule Q to calculate the percentage of first year premiums received by the company for the determination of the first year expense limit. The modified first year gross premium, rather than the contractual gross premium, shall be used

(CONTINUED ON PAGE 6)

## Tax Hearings Resumed

### Manton Eddy Urges Changing Dividend Credit Provisions

WASHINGTON—The general pattern of the life insurance company tax bill as passed by the House is satisfactory, but the bill should be amended to permit companies to apply dividend and similar credits to the extent these credits are not allowable to reduce phase 1 taxable income, and to reduce taxable net gains from operations of other years under phase 2 of the bill, Manton Eddy, vice-president and secretary of Connecticut General, told the Senate finance committee here this week.

Mr. Eddy spoke at the resumption of hearings after a 10-day recess. Some 35 spokesmen for individual life insurance companies and associations testified or submitted statements during three days of scheduled hearings.

Mr. Eddy stressed the need for maintaining equitable competitive relationships between stock and mutual companies under the tax bill, and described the requirement of stock companies to build up their surpluses for future protection of life insurance policyholders.

### Takes Away Real Relief

He pointed out that the bill allows a company the apparent privilege of reducing its phase 1 taxable income by phase 2 negatives. However, he said, "The practical effect of the limitation of Sec. 809 (g) (1) is to take away any real relief from mutual companies and also from most stock companies of any considerable size.

"Such stock companies write participating insurance or group insurance

(CONTINUED ON PAGE 25)

## NALU MIDYEAR

### 3 Times Pay-Plus Seen As Companies' Lowest Group Limit

MINNEAPOLIS—Three times annual pay plus enough life insurance to fund the survivorship element in joint and survivor retirement annuity plans is the least the group-writing companies will settle for as a jumbo group limit, in the opinion of one member of the NALU group committee who attended a meeting with the companies' "high-level" group committee last week on this problem.

Arthur Sullivan, general agent of Fidelity Mutual Life at New York, voiced this view at the meeting of the NALU committee here, and none

(CONTINUED ON PAGE 23)

### Group Limits Lifted By New York Life

If a life company intends to compete in the group field, it cannot ignore what other leading companies are doing. It cannot impose group limits on its producers—even though it believes such a policy to be basically sound—while operating in a market in which its competitors are not putting similar restraints on their own agents.

This is what Dudley Dowell, executive vice-president of New York Life, told the field force in a letter in which he outlined New York Life's belief in being guided by the basic principle of limits, but at the same time stating that the company, for competitive reasons, was lifting limits within statutory provisions and the dictates of sound underwriting and good business procedure.

## Keogh-Simpson Bill Passes House Despite Treasury Objections

Despite strong last minute objections by the Treasury, the House passed the Keogh-Simpson bill, the 1959 version of the Jenkins-Keogh bill, by voice vote. The bill, which now goes to the Senate, permits self-employed persons to defer until age 70 taxes on as much as 10% of income up to \$2,500 in a single year, with a maximum lifetime limit of \$50,000, provided such amounts are placed in a restricted retirement trust fund or paid as premiums on annuities or certain other types of restricted retirement policies.

In a letter to Rep. Byrnes of Wisconsin on the eve of passage, Treasury Secretary Anderson said that tax revenue losses as a result of the new legislation would be in the neighborhood of \$365 million per year. He also opposed the bill on the grounds that 80% of total tax relief would go to the self-employed with incomes over \$10,000. Rep. Byrnes opposed the bill during debate.

## Bill Sponsor Answers Critics

Rep. Keogh of Brooklyn, chief sponsor of the bill, denied it would open a tax loophole for the well-to-do. He said it was a long delayed effort to assist 7.1 million self-employed. Rep. Keogh also said that the measure would put such persons on equal footing with an estimated 18 million workers who are covered by private pension plans financed by tax-exempt contributions from employers.

## N. J. Senate Caucus Blocks Consideration Of Variable Annuities

TRENTON—A series of three bills authorizing and regulating the issuance of variable annuity contracts in New Jersey were rejected by the Republican caucus of the senate. It was reported that the bills were one vote short of approval necessary under procedure to bring them out for a vote on the floor of the senate.

The legislation which has passed the assembly two years in succession was referred to the senate business affairs committee.

Trio of wheel-horses at NALU midyear in Minneapolis: Spencer L. McCarty, Provident Mutual, Albany, managing director of the New York State association; Stanley Collins, Metropolitan Life, New York City, past president of NALU, and David Blumberg, Massachusetts Mutual, Knoxville, NALU trustee.

## Inflation Concern Marks Minneapolis Meeting Of NALU

### Material Made Available For Local Units To Spark Resistance In Home Areas

By ROBERT B. MITCHELL

MINNEAPOLIS—Intense concern over the seriousness of the inflation menace dominated an otherwise optimistic midyear meeting of National Assn. of Life Underwriters here this week.

The national council Wednesday heard chilling predictions on inflationary trends from President Oren D. Pritchard and from Managing Director Lester O. Schriver. It then adopted a strong resolution against inflationary practices.

Said Mr. Schriver: "The greatest danger we face is not Russia or China or Sputniks or any other outside force or influence but our own ruthless, stupid, headlong drive toward eventual—and perhaps not too far distant—bankruptcy. And bankruptcy is a form of inflation, because the man who settles with his creditors for 10 cents on a dollar is settling on the basis of 10-cent dollars."

### Barnes Tells Of Ad Program

Donald F. Barnes, vice-president and director of advertising of Institute of Life Insurance, told what the institute is doing in its new advertising campaign. The institute board, he said, decided the time had come to stop being gentlemanly in the fight against inflation and to hit hard.

Until now the campaigns against inflation have avoided the idea that life insurance could be hurt by inflation but at its December meeting the board decided it was time to admit that life insurance has the biggest stake of all in the inflation problem's solution. The campaign was discussed with the NALU executive committee, which made five suggestions that the institute incorporated to make the campaign more useful to life insurance field men in cooperating with the drive.

The advertising campaign is based (CONTINUED ON PAGE 27)



## Pritchard Exhorts NALU To All-Out Fight On Inflation

**Report At Midyear Rally  
Also Lists Group Limits,  
Minimum Deposit As Evils**

MINNEAPOLIS—Of the various evils which he listed as afflicting the business, President Oren D. Pritchard of NALU reserved the heaviest fire in his NALU midyear address for inflation and deficit financing. He warned of the danger to the savings of policyholders—"a malignancy that might spell tragedy to the government of the United States as we now know it."

"In spite of Mr. Eisenhower's call for grass roots support, there is little forthcoming to date," he said. "We, 78,000 salesmen strong, can be of great assistance. This would be a positive support. We, like all other thrift institutions, have a stake in the ultimate results of the deficit financing of our federal government."

Mr. Pritchard said that in making talks around the country he found the main problems on the minds of the local association leaders to be these:

1. The "excessive and exorbitant increase in federal taxes on life insurance now being considered by the Senate."
2. The "unconscionable extension of social security by a vote-hungry Congress."

### Hits Minimum Deposit Abuses

3. The uses to which the bank-loan and minimum-deposit plans have been extended in the replacing of business in force on permanent plans, in connection selling mutual funds and in lieu of term insurance to obtain higher commissions, and the failure of some agents to give complete and accurate details in connection with the sale of such plans, as well as the very high lapse rates some companies have experienced on these plans and the ultimate effect this may have on the public's confidence in agents and in the life insurance business.

4. "The volume hunger of some companies and/or general agents and managers which causes them to recommend and extend the use of decreasing term insurance to the salesmen of mutual funds either in competition with life insurance or, as has been rumored, to replace life insurance."

5. "The continued distribution of amounts of group life insurance on individuals in excess of that which your association believes to be in the public interest, discriminatory in many cases, an inexcusable effort to extend the tax privileges granted on group insurance for the benefit of employees not financially able to provide sufficient life insurance for their dependents to those highly salaried employees and executives who could and

## NALU MIDYEAR

### Draft Report Asks Model Bill As Curb On Twisting Abuses

To give every possible assurance that the replacements of policies will always be in the interest of the policyholder, a model bill drafted by NALU should be offered to the national association of commissioners, according to the pre-convention report of the committee on field practices, headed by William H. Pryor, Connecticut Mutual, Wauwatosa, Wis.

This bill would better define and perhaps provide a better means of enforcement than the variety of statutes now governing, but not effectively enforcing the laws in this respect, according to the report.

"It used to be an historic maxim that an existing policy is a better contract for the insured than any policy that may be issued in its stead," the report continued. "If not, as a general practice such policy could be adjusted by contractual right or policy privilege to approximate any special feature of a new policy that might be offered."

"But new rates, new types of policies and new rights and privileges do

(CONTINUED ON PAGE 25)

should be better served by individual life underwriters in the planning of those policyholders' estates."

6. "The continued extension on a lateral basis to fictitious groups formed for the purpose of obtaining life insurance on a group basis or to associations or societies where little or no employer-employee relationship exists."

7. "An increasing trend on the part of a few agents to replace old life insurance with new, 'thereby causing the policyholder to pay a second acquisition cost—a practice our insurance departments will not long condone.'"

"It is not difficult," said Mr. Pritchard, "to recognize that little or no effort is being made generally toward the extensive encouragement in a basic and fundamental use of life insurance, that of creating both emergency and permanent funds through the regular and systematic payment of premiums on permanent life insurance plans, the forming of the habits of thrift, development of individual initiative and the building of sound and commendable character on the part of citizens of America who are now, and those who will become, our policyholders and our beneficiaries."

"The matters of deep concern listed earlier are forms of insurance that are inflationary to the fullest extent. As the Secretary of the Treasury recently told Congress: 'If we ever reach the point where people believe that to speculate is safe but to save is to gamble, then we are indeed in trouble.' I can assure you that this administration of NALU will continue its campaign against inflation and all those forces that fan such flames or that encourage the growth of such malignancy."



William H. Pryor

## N. Y. Tackles Continental Casualty On Credit A&S

**Seeks To Bar Insurer's Use Of  
'Unapproved' Form, Rates;  
Makes General Charges**

NEW YORK—Superintendent Thomas Thacher has asked the supreme court, the state's lowest tribunal, for a permanent injunction prohibiting Continental Casualty from selling credit A&S in the state under forms and at rates not approved by the superintendent.

The action was taken by the attorney general, representing the department, under the amendment to section 154 of the insurance law adopted in 1958 and effective last Oct. 1. This specifically requires affirmative approval by the superintendent of forms and rates for credit coverages.

On and after Oct. 1, the complaint charges, Continental Casualty issued 3,431 individual credit A&S policies in New York without approval. An exhibit filed with the complaint shows that most of these policies were issued through banks and savings and loan associations throughout the state.

Among other charges contained in Mr. Thacher's affidavit, which accompanied the complaint, was one that Continental Casualty paid 36% commission on \$1.5 million of individual credit A&S policies written in 1956 and only 34% in benefits. Obviously, Mr. Thacher stated, the rates were excessive since the business is produced in the same manner as group disability on which the loss experience normally is more than 65% and commissions less than 10%.

The affidavit asserted that the company and other insurers were "victimizing many debtors" and that they "hindered and perverted free and fair competition among insurers selling the coverage, to the great detriment of insurers doing business in accordance with proper insurance standards and procedures."

Continental Casualty and other insurers, according to the affidavit, have set rates designed to produce an excessive rate of return to the creditor and/or agent, represented by dividends, experience-rating refunds, commissions or other credits, with little regard to actuarial valuation of the risks involved or the benefits provided. This reverse competition continues to result in insurance charges to debtors that are unreasonable in relation to benefits.

### Many Concerned Over Abuses

Mr. Thacher points out that abuses in connection with insurance on credit transactions have been the source of grave concern for several years to committees of Congress, the joint legislative committee on commerce and economic development of New York state, the state insurance and banking departments and National Assn. of Insurance Commissioners.

The creditor, he stated, occupies a dominant position in the marketing of insurance in conjunction with credit transactions and in view of the inferior bargaining position of the debtor in a captive market has been able to dictate debtor's choice of coverage, rates, insurer and agent.

The situation, he declared, results in

**Company Testifies Cover Was  
Approved, Denies Charges  
And Says State Is Unfair**

NEW YORK—Continental Casualty categorically and specifically denied all of the allegations made by Superintendent Thomas Thacher in connection with the insurer's credit A&S business in the state, in oral arguments in the supreme court here, and in briefs.

Attorneys for the company introduced evidence showing that the department had approved both the form it uses in this state for its credit A&S business and the rates charged for it. In any event, counsel for the company contended, under a similar action instituted by Mr. Thacher's predecessor, Julius S. Wikler, against Old Republic Credit Life and Credit Life, the department is stayed from outlawing credit insurance forms previously approved, until that litigation is decided.

### Denies Excessive Commissions

The company also sharply denied allegations by Mr. Thacher that the company paid excessive commissions, returned inequitable benefits to insured, avoided claims, etc.

The Thacher action is part of a larger dispute between insurers writing credit insurance and the department which is in litigation in the supreme court of Albany county, John P. McGrath pointed out. Mr. McGrath's firm, Hodges, Reavis, McGrath & Downey, is co-counsel for Continental Casualty with Aranow, Brodsky, Bohlinger, Einhorn & Dann, of which a former superintendent, Alfred J. Bohlinger, is a member.

Old Republic and Credit Life were served a show cause order by Mr. Wikler last September under the department's regulation 27A. The regulation attempts, among other things, to outlaw all forms and rates previously approved by the department and to prescribe new uniform, industry-wide forms and rates for all credit life and credit A&S. The two insurers in the case contend that the superintendent exceeded his statutory powers and jurisdiction in 27A. The regulation violates other statutory rates and is arbitrary, capricious and unreasonable in many respects, the insurers argued.

The show cause order at Albany stays enforcement of 27A till the conclusion of that case. Since, at Mr. McGrath's request, the judge refused to limit the stay to Old Republic and

(CONTINUED ON PAGE 27)

clearly undesirable practices including excessive amounts of credit cover at excessive rates that bear no reasonable relation to benefits. It results in coercion and intimidation to force such insurance on the debtor; in failure to inform the debtor of the actual cost of the insurance and the unwarranted high rates of commission; and in avoidance of claims by failure to furnish the debtor with evidence of his coverage. In connection with installment purchases the debtor also often is forced to pay for non-essential items concealed in unidentified extra charges under the heading of insurance, the affidavit stated.





# The Franklin Life Insurance Company

CHAS. E. BECKER, PRESIDENT • HOME OFFICE: SPRINGFIELD, ILLINOIS

75 years of distinguished service

## Statement of Condition as of January 1, 1959

### Assets . . .

Cash . . . . .		\$ 12,802,184.39
*United States Government Bonds . . . . .	\$ 25,829,443.96	
*Other Bonds . . . . .	197,838,888.01	223,668,331.97
Real Estate . . . . .		22,399,828.25
(Including \$16,371,019.91 of properties acquired for investment)		
Federally Insured or Guaranteed		
Real Estate Loans . . . . .	54,212,230.58	
Other First Mortgage Loans on Real Estate . . . . .	109,467,229.16	163,679,459.74
Loans to Policyowners . . . . .		26,300,224.85
(Secured by Legal Reserve)		
Premiums in Course of Collection . . . . .		16,354,498.42
(Liability included in Reserve)		
Interest and Rents Due and Accrued . . . . .		3,235,339.33
Other Assets . . . . .		1,945,662.01
		<hr/>
		\$470,385,528.96

### Liabilities . . .

Legal Reserve on Outstanding Contracts . . . . .	\$364,515,979.00
Premiums and Interest Paid in Advance . . . . .	9,049,179.41
Other Policyowners' Funds . . . . .	31,882,422.59
Reserve for Taxes Payable in 1959 . . . . .	3,065,000.00
Accrued Expenses . . . . .	837,553.81
Suspense Accounts . . . . .	3,906,869.39
Other Liabilities . . . . .	2,378,524.76
	<hr/>
	\$415,635,528.96

### Surplus Funds . . .

Capital . . . . .	\$16,389,843.75
General Surplus . . . . .	38,360,156.25
	<hr/>
	\$54,750,000.00
	<hr/>
	\$470,385,528.96

\*Bonds are valued as prescribed by the National Association of Insurance Commissioners.

**Insurance in force nearly \$3,200,000,000**

THE LARGEST LEGAL RESERVE STOCK LIFE INSURANCE COMPANY IN THE  
UNITED STATES DEVOTED EXCLUSIVELY TO THE UNDERWRITING  
OF ORDINARY AND ANNUITY PLANS

*High points of our  
progress during the  
year 1958 . . .*

New Paid Business  
\$750,598,729.00

Asset Increase  
\$50,774,617.26

Increase in Reserves  
\$33,497,339.00

Increase in Surplus Funds  
\$8,600,000.00

Payment to policyowners and  
beneficiaries during year  
\$30,128,303.67

Payments to policyowners and  
beneficiaries since 1884,  
plus funds currently held  
for their benefit  
\$669,883,754.46

## Stick To Immutable Basic Truths, 300 Agency Men Told

### M. F. Browne Warns LIAMA Management Conference On 'Insurance Schizophrenia'

Agency officers who forsake sound principles for ambitious and untried



M. F. Browne

methods of operation that actually falsify final results are susceptible to insurance schizophrenia," Micou F. Browne, Occidental Life of North Carolina, told some 300 small company agency officers attending LIAMA's agency management conference at Chicago this week.

Mr. Browne, who as chairman keynoted the program, ascribed this condition to an imbalance of the two basic emotions that govern the agency man's everyday activity pattern—fear and hope. This man hopes that his business will be of good quality, fears it will not, hopes that a minimum deposit plan will accelerate insurance in force, but fears it will destroy the true purpose of insurance dollars at work.

Insurance schizophrenia is cured by the realization that the basic truths of 20 or 30 years ago are still basic truths—that 90% of the agency man's job is still to purchase for his com-

(CONTINUED ON PAGE 27)

## McNamara To Run For Reelection As Trustee Of NALU

MINNEAPOLIS—The candidacy of Frank G. McNamara for reelection as a trustee of NALU was announced at the NALU midyear meeting here.



F. G. McNamara

Mr. McNamara, who is general agent of Old Line Life at Waukesha, Wis., was elected to the NALU board in 1957. He is chairman of the state law and legislation committee. He is endorsed by the Wisconsin association and its local associations.

Mr. McNamara has been in the life insurance business 30 years and has been with Old Line Life for 20 years. He has been active in Community Chest, Red Cross and YMCA drives. He was the first president of the Waukesha Optimist Club.

Mr. McNamara pioneered the University of Wisconsin seminar in advanced life insurance selling. He originated the famed Wisconsin "cheese room" at national and midyear meetings of NALU.

Before becoming chairman of the state law and legislation committee, Mr. McNamara was on the membership committee and headed the resolutions committee.

### New A&S Entry Planned

Stockholders have approved plans of Great Northern Life of Fort Wayne to go into the A&S insurance field. They also authorized an amendment in the charter to provide for an increase of capital from 300,000 to 400,000 shares.

## Company Statements Reflect Gains In 1958

### AMERICAN NATIONAL

The 4½ billion mark of insurance in force was passed by American National in 1958 with the addition of \$345 million during the year. Individual sales amounted to \$737,898,388, up 7%. Industrial sales increased 10% and A&S 125%.

Assets rose \$82 million to \$750,556,108, and capital and surplus increased \$11 million to \$93,608,978. Total income amounted to \$139,909,411, an increase of \$6.5 million.

### BANKERS NATIONAL LIFE

Insurance in force of Bankers National Life at the close of 1958 was \$530 million, up \$50 million. Assets increased from more than \$67 million to more than \$73 million. Total capital, contingency reserve, and unassigned surplus rose from \$6.4 million to \$7.3 million. Benefit payments exceeded \$7 million.

### CAL-WESTERN STATES

The company closed 1958 with \$2.408 billion of life in force, a 21% gain. Income from all sources was up 13% to \$64,488,000; assets up 10% to \$213,429,000; capital and surplus up 9% to \$28,425,000. Benefit payments came to \$34,108,000, a 13% increase. Investments produced a net yield of 3.93%.

### CONTINENTAL AMERICAN LIFE

Continental American Life's assets at year-end were \$102,922,447 and insurance in force was \$452,628,213. Benefit payments were more than \$9 million, of which more than 70% went to living policyholders. Life sales amounted to \$78 million, a record. The average size policy was increased to \$7,908.

Exclusive of policyholders loans, investments exceeded \$10.8 million, of which \$4.5 million went to bond and

stock purchases, and \$6.3 million was invested in mortgage loans. Average yield on new investments was 4.69% which, increased the gross rate earned on all investments from 3.93% to 4.07%.

### EASTERN LIFE

Eastern Life's assets increased 7.8% in 1958 and interest from investments gained 10.1%. Paid for business was up 40%. First year premiums rose 43.3%, renewal premiums increased 12.6% and group premiums gained 52.8%.

### GREAT AMERICAN RESERVE

Life in force rose more than \$23 million in 1958 to \$202,496,439; total income was up more than \$700,000 to \$9,257,199 and assets increased nearly \$3 million to \$16,802,069.

A&S income, which accounts for approximately half of the company's business, went up to \$4,597,497. A return of 4.60% was earned on investments. Surplus was increased by \$649,846 and security valuation reserves were up \$205,889.

### KNIGHTS OF COLUMBUS

Knights of Columbus insurance in force at year-end was \$822,637,136, up 12.5%, and assets increased \$13,178,909 to \$141,871,211. Surplus gained \$3,130,660 to \$16,101,425. Premium income was \$20,575,239 and net investment income amounted to \$4,862,004. Net interest earnings were 3.72% as against 3.57% in 1957.

### LIBERTY LIFE

Liberty Life insurance in force at year-end 1958 was \$1,032,475,269, a gain of \$139,879,910. Assets increased \$9,424,468 to a total of \$109,541,084, and capital and surplus was \$14,039,516, up \$1,996,388. Benefit payments totaled \$7,699,431.

### LUTHERAN MUTUAL

Lutheran Mutual Life passed the half billion in force mark, after recording sales of \$73,476,504 in 1958, an increase of more than 12%. As of Dec. 31, assets totaled \$98,738,031, and reached \$100 million this March. Benefit payments for the year came to \$5,621,106.

Income from all sources was \$16,986,885. Of this amount, \$11,119,855 was from premium payments. The average rate of interest earned on investments was 3.95%, and total income from this source was \$3,592,464.

Surplus funds, including contingent

(CONTINUED ON PAGE 27)

## A new approach to your professional career

Build your own agency on the strong foundation of  
Central Standard Life's new career contract which offers:

- Renewals completely vested for the premium paying period of the policy, plus . . .
- Top first year commissions.
- Company sponsored education.
- Tested, proven direct mail aids.
- All new A & S program.
- High value, low premium Life Plans.
- Liberal underwriting.
- Agent-Agency building philosophy.

**Substantial Override for General Agents—**  
Build your own agency • Plan for your retirement  
Create an estate for your family

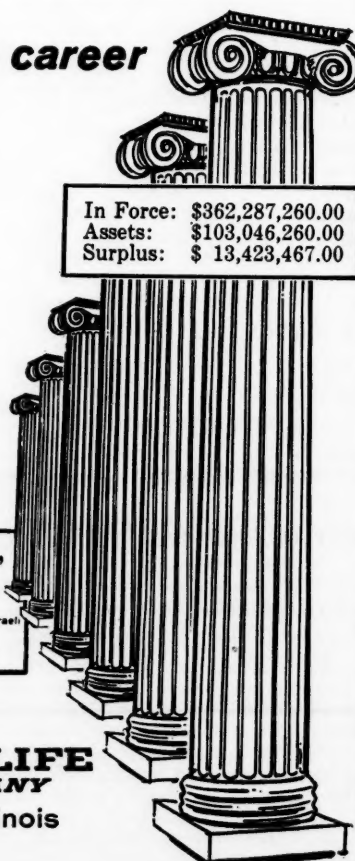
*"The secret of success is Constancy to Purpose"*  
Benjamin Disraeli

Our success has been achieved with our career men and women.

### See for yourself

Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laffin, Vice President and Agency Director.

**CENTRAL STANDARD LIFE**  
Founded in 1905 • INSURANCE COMPANY  
211 W. Wacker Drive Chicago 6, Illinois  
Life • Accident • Sickness



## Levering Cartwright INSURANCE STOCKS

Life-Fire-Casualty

**Cartwright, Vallean & Co.**

Members Midwest Stock Exchange

Board of Trade Building

Chicago 4, Illinois

WAbash 2-2535 Teletype CG1475

You may telephone orders collect.



A statement on "SOUND MONEY and JOBS"  
from New England Life's Annual Report for 1958

## An era ended in 1958

**America's position in the world has entered a new phase and with it the battle for sound money has taken on a different aspect.**

Let us examine what has happened. The war ruined the productive capacity and finances of the industrial nations of Western Europe and of Japan. As a result, the United States was in a unique position. We, and only we, had the facilities to supply the machinery, equipment and much of the capital that the non-communist nations needed so desperately. The dollar was indisputably the anchor currency of the world.

In 1958, however, signs became unmistakable that the United States was no longer in a sheltered position in international trade and finance. No longer were other nations forced to turn to us for the goods they needed, regardless of our costs and prices, because we were the only country that could supply them. By 1958, Western Europe and Japan had largely recovered and for the most part had restored their currencies. They were able to compete aggressively against us with lower prices in a long list of items.

One example shows the trend. In 1958 some 375,000 Americans purchased foreign automobiles in preference to American cars, an increase of about 270,000 in two years. In the same period exports of American cars dropped to 110,000, a loss of nearly 80,000. How many jobs did this shift of 350,000 cars — 270,000 more imported, 80,000 fewer exported — cost Detroit and the assembly plants throughout the nation?

During America's sheltered period before Europe had recovered, we could absorb our inflation of costs and prices and still have high employment with few ill effects other than a gradual rise in the cost of living. What did it matter if we pushed up wages faster than we could improve our productive skills? What did it matter if we turned more and more to Federal and local governments for subsidies and increased spending? Or if, as a consequence, our taxes kept going up? What did it matter if, when we found we were spending more than we were earning, we artificially created new money so that we could borrow it?

By these practices we put our economy on stilts. Last year we discovered that other nations could

get in underneath us and invade not only foreign markets we had thought were ours but the American market as well. *We had priced ourselves out of a lot of business and a lot of jobs.*

Faced with the spread between high American and low foreign costs, faced with aggressive and skillful competition, can our country continue to threaten American jobs by raising our costs still higher?

Surely we can procrastinate no longer in coming to grips with basic issues. Procrastination would not only be folly, it could be suicidal.

First, we must restore confidence in the soundness of the dollar. It is already weakened, and could be destroyed. Our country has been going on the theory that the way to maintain prosperity is for the government to spend more money. *Yet what nation, in all history, has ever spent itself rich?* We must therefore not only balance the budget, we must have budget surpluses in prosperous times.

Finally, we must recognize that the resurgence of international competition and our necessity of having the means to buy elsewhere essential materials we now lack have put America at the crossroads. The stake now is not whether we can tolerate creeping inflation, be it caused by big government, by big business or by big labor. Wherever the blame may lie, inflation must be stopped, for what is at stake from now on is *jobs and the dollar itself* as the symbol of America's economic and moral strength.

### OTHER HIGHLIGHTS FROM OUR ANNUAL REPORT

★ Average size, new individual policy — \$10,434

★ New Life Insurance Issued — \$931 million

★ Total Life Insurance in Force — \$6.1 billion

★ Net Interest Earned from All Investments — 3.97%. (After expenses but before taxes)

★ Net Interest Earned from New Investments in 1958 — 4.97%

★ Total Resources — \$2 billion, 24 million (A gain of \$148 million)

★ Obligations — \$1 billion, 880 million

★ Unassigned Surplus — \$143 million (Not including two Security Fluctuation Reserves totalling \$79 million)

### TEN YEAR COMPARISONS Reflecting Company Growth

1958 Income — \$270 million — up 103% over 1948

1958 Operational Savings — \$40.2 million — up 103% over 1948

1958 Dividends Apportioned — \$33.3 million — up 141% over 1948

★ ★ ★

### DIRECTORS

O. KELLEY ANDERSON  
RICHARD P. CHAPMAN  
T. JEFFERSON COOLIDGE  
ROGER C. DAMON  
NATHANIEL V. DAVIS  
H. FREDERICK HAGEMANN, JR.  
MAYNARD HUTCHINSON  
GEORGE OLMSTED, JR.  
EDWARD REYNOLDS  
GEORGE WILLARD SMITH  
ROBERT G. STONE  
WALTER TEBBETTS

**NEW ENGLAND**  
*Mutual* **LIFE** Insurance Company  
BOSTON, MASSACHUSETTS

THE COMPANY THAT FOUNDED MUTUAL LIFE INSURANCE IN AMERICA — 1835

The above statement has been published nationally, in newspapers, as a public service to life insurance policyholders and the general public

lift  
your  
ordinary  
sales  
out  
of  
the  
ordinary

WITH A  
CUSTOM DESIGNED  
VISUAL

SALES KIT  
OR FILM STRIP  
THAT TELLS  
YOUR MOST  
SUCCESSFUL  
SALES STORY  
THE SAME WAY  
EVERY TIME



DUNCAN and COPELAND, INC.

ADVERTISING

1038 WEST PEACHTREE STREET, N.W.  
ATLANTA, GEORGIA TRinity 5-7724

## NALU MIDYEAR

### Favor Mutual Funds As Next Topic For NALU Agents Forum

MINNEAPOLIS—Mutual funds as their sale relates to the life insurance business should be the topic for the agents forum to be put on by the agents committee of NALU at the annual meeting in September in Philadelphia—this was the prevailing opinion at the meeting of the committee during the NALU midyear meeting here.

A number of those present reported competitive troubles with mutual funds in their areas. It was felt that the topic will continue to be an increasingly hot one and hence especially appropriate for the agents forum at the annual meeting.

Other suggested topics were underwriting controls as a means of curbing twisting; solutions, other than legislation, of the problem presented by some companies' merchandising plans; the question of what harm, if any, group insurance is doing to ordinary business; the difficulty of defining areas of operation of agents, lawyers, trust offices and accountants; in what ways do the counselling activities of the life agent approach the unauthorized practice of law?

Alfred Howes, Connecticut Mutual, New York City, commented on the lack of teeth in the NALU-National

## SHOW 1958 INSURANCE RESULTS

	1958 New Business \$	1957 New Business \$	1958 Increase In Force \$	1957 Increase In Force \$
Canada Life .....	465,799,437	415,709,126	352,851,478	339,926,847
Equitable Society .....	2,877,679,881	3,209,299,612	1,973,163,207	3,011,035,112
Imperial Life .....	128,543,913*	121,337,516	86,349,401	80,885,396
Prudential .....	11,114,540,396	11,477,893,645	5,401,294,805	7,179,326,303
Southland Life .....	169,216,635	171,649,102	67,011,224	67,183,936

\* New business figures include \$1,227,031 and \$917,559 as revivals and increases for 1958 and 1957, respectively.

Assn. of Investment Companies joint statement of principles regarding competition between the two industries.

"It means nothing," he said.

Mr. Howes also mentioned the technical difficulties that would follow the enactment of the Keogh-Simpson bill permitting individuals the same sort of tax incentive that employees have under qualified retirement plans. Since the permissible amount subject to tax exemption is a percentage of income, provision would have to be made in policies for this variation in amounts that could be contributed to individual retirement plans.

It may be, he said, that group writing companies will contend this is simple to do with group. However, he said that "we have got to show the companies" that it isn't enough just to get the business but there must be an acceptance of responsibility for counselling the individuals and if this is not done it will hurt the industry and the buyer.

Massachusetts Mutual has named Richard J. Katz of the Grinnett agency at Rochester, N. Y., man of the year for 1958.

### CHAIRMAN WARNS:

### 'Pay Local Dues By April 15 Or Miss 1960 Round Table'

Every year a few big producers are so intent on making the production re-



Adon N. Smith II

quirement for the Million Dollar Round Table that they apparently overlook the words "...of the National Assn. of Life Underwriters" that are an integral part of the Round Table's official name—anyway, they fail to pay their local association dues by the April 15 deadline that the MDRT has set for all those who want to qualify for the following year's Round Table.

"We get all kinds of excuses for neglecting to pay local association dues on time, but the rule is right in the by-laws," says MDRT Chairman Adon N. Smith II, Northwestern Mutual, Charlotte, N. C. "We can't waive that rule any more than we can let in someone who missed paying for a million.

### Might Miss Hawaii Rally

"Of course, every life underwriter should want to belong to his local association whether he's shooting for the Round Table or not, but anybody who thinks he has the slightest chance of making the 1960 Round Table should make sure his dues are paid by April 15 of this year. Wouldn't it be a shame to miss going to the 1960 meeting in Honolulu just because of a delay in paying your 1959 association dues by April 15?"

Mr. Smith disclosed that membership in the 1959 Round Table had reached 1,554 through February 28. Of this number, 587 are Qualifying and Life Repeating, 373 are Life members, 247 are Qualifying and Life First Time, 243 are Qualifying-Repeating, and 104 are First Time qualifiers.

### FTC Dismisses False Advertising Charge Against Mutual Of N. Y.

The Federal Trade Commission dismissed, for lack of jurisdiction, its complaint charging that Mutual of New York falsely advertised A&S policies. The commission agreed the case should be dismissed on the jurisdictional grounds stated by the U. S. Supreme Court last June in the National Casualty and the American Hospital & Life cases.

Pa. Assn. To Honor Gov. Lawrence Pennsylvania Life Underwriters Assn. will honor Gov. David L. Lawrence with a dinner during the directors' meeting at the Penn Harris Hotel, Harrisburg, March 31. Commissioner Smith, who is the guest speaker, leaders of the senate and house, and insurance committee members of the legislature also will be honored.

### N. Y. Minimum Deposit Draft Rules Released

(CONTINUED FROM PAGE 1)

for comparison with gross premium rates for whole life policies in determining the applicable commission limits. The company shall substitute the modified first year gross premiums for first years' premiums on new insurance in any item in section (D) total field expense limit and section (F) first year field expense limit and section (G) total expense limit of schedule Q.

High Cash Values: Where a company provides more favorable early cash and loan values on certain policies than on other essentially similar policies by departure from the regular pattern otherwise applicable for computation of cash values on essentially similar plans, the granting of such values constitutes an unfair discrimination between individuals of the same class and equal expectation of life, in contravention of section 209 of the insurance law.

### Have Until July 1st

Accordingly, the department will not approve for delivery by any company in New York any new policy forms providing high early cash value derived by departing from the regular pattern of computation of cash values. Unless companies voluntarily discontinue by July 1 the use of such forms already approved, the department will order them withdrawn.

One Year Term Dividend Option: Policies of domestic life companies in providing the 5th dividend option, also known as the "one year term dividend option," in one plan only, whether regarded as a dividend left at interest or applied to purchase a paid-up addition, do not comply with section 216 (2) of the law in failing to make such option available on all plans. Pursuant to section 42 (5) of the law, it is reasonably necessary for the protection of the public interest that licensed foreign and alien life companies which provide this 5th dividend option shall

comply with the provision of section 216 (2) by making available the divided option in all plans.

Furthermore, unless available to policyholders generally, any policy provision or company practice under which it accepts from the insured any additional cash to supplement the applicable dividend for the purchase of loan insurance, is deemed an unfair discrimination under section 209.

Cost Illustrations and Complete Comparisons: In order that companies and agents may properly carry out their responsibilities under sections 127, 209 and 211 (relating to misrepresentations, misleading statements and incomplete comparisons and discrimination), companies licensed to do business in New York are required to issue written instructions promptly to their agents incorporating basic rules and safeguards which are to be observed in the preparation and use of cost illustrations, comparisons, advertising and other promotional material for the protection of the public. Illustrations should not be limited to 20 years but cover at least the life expectancy of the prospect. As to rates applicable for the 5th dividend option, the illustrations must state whether they are guaranteed or not.

### Cite Replacement Safeguards

Safeguards Against Replacement of Existing Insurance: In connection with all applications for life insurance policies, the company shall have in its files over the signature of the applicant a statement as to whether the policies are to replace existing insurance. Where an affirmative answer is given, it is in the public interest that the company which issued the existing insurance have opportunity to conserve the business. It is the responsibility of the company as well as the agent to make absolutely certain that there is no incomplete comparison or other violation of section 211.



21, 1959

1957  
Increase  
in Force  
\$  
339,926,847  
111,035,113  
89,885,396  
179,326,303  
67,183,936  
1958 and

By

le'

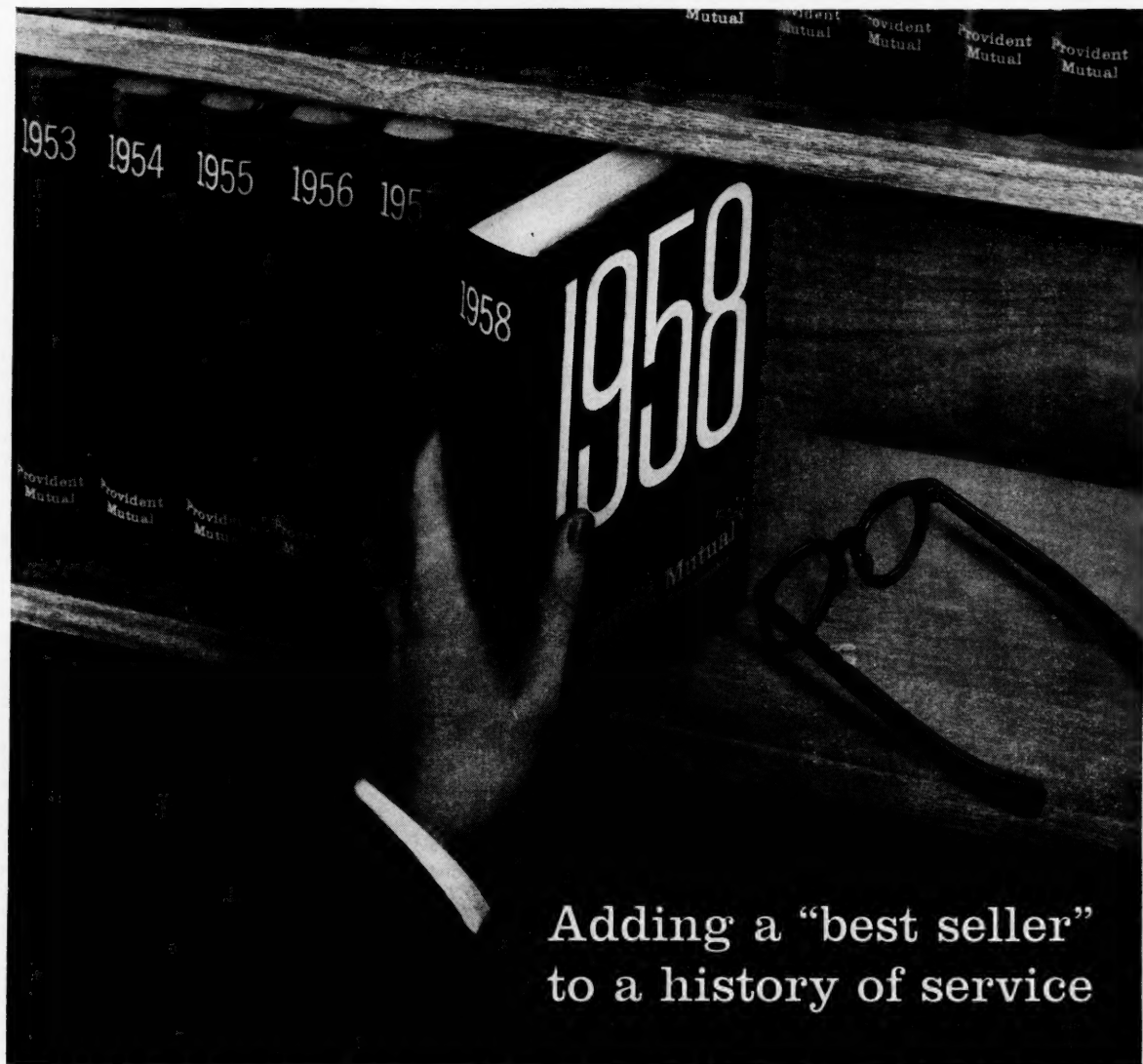
rs are so  
tion re-  
for the  
Dollar  
ole that  
parently  
k the  
. of the  
Assn. of  
derwrit-  
e an in-  
of the  
ole's of-  
e—any-  
fail to  
ocal as-  
dues by  
MDRT  
qualify  
Table.  
uses for  
ion dues  
t in the  
an Adon  
Mutual,  
ive that  
in some-  
million.

erwriter  
ocal as-  
g for the  
ody who  
ance of  
e should  
y April  
a shame  
eting in  
delay in  
dues by

member-  
ble had  
y 28. Of  
ing and  
e mem-  
ife First  
epeating,  
ers.

ising  
N. Y.  
ion dis-  
its com-  
of New  
policies.  
e should  
ditional  
Supreme  
nal Cas-  
spital &

wrence  
erwriters  
L. Law-  
e direc-  
is Hotel,  
nissioner  
er, lead-  
d insur-  
ne legis-



Adding a "best seller"  
to a history of service

NINETEEN FIFTY-EIGHT was indeed a "best seller" for Provident Mutual. In this, the 94th year of its history, the Company established new records in sales, and increased its services to the policyowners; Provident Mutual insurance in force increased to \$2,301,000,000.

The wide range of new Provident Mutual programs developed during 1957, and backed by enthusiastic and informed representatives, accounted for the Company's well-defined growth pattern of 1958. Sales of individual life policies reached an unprecedented \$234 million, exceeding by 26% the previous all-time high. In the broad field of group insurance, the Company continued to expand its life, accident

and health insurance and pension coverages.

This record of a record year reaffirms, with strength and simplicity, Provident Mutual's continuing objective:

to provide the best in modern insurance protection, at the most economical cost possible, for the thousands of men and women who buy insurance—and to render, through trained Provident Mutual representatives, the personal and individual service that best meets their needs.

The results of 1958 afford tangible evidence of how well Provident Mutual is fulfilling that responsibility.

# Provident Mutual

Life Insurance Company of Philadelphia

## Harmelin Stresses Disability Buy-Out Funded By A&S

A partnership or close corporation buy-and-sell agreement without a disability buy-out provision funded by A&S is as unsatisfactory as an unfunded, first-offer provision in case of death, William Harmelin, Continental Assurance, New York, told members of Indianapolis A&H Assn. and Indianapolis Life Underwriters Assn.

at their joint February meeting.

Disability is more likely than death, he pointed out. Between the ages of 35 and 65, three out of 10 business owners will die, but fractionally over six of them will suffer a disability; yet if they have the usual type of buy-and-sell agreement, the only attention it will pay to the problem of disability is waiver of premium on the life policies funding the death buy-out provision, he declared.

"What peace of mind in case you are disabled," he noted, ironically. "No more premiums are due on your

life insurance. So what happens?

"Your sweet business associates agree to continue to pay you as long as they can. . . . Then they realize they cannot continue to do so. . . . They are forced to find a way to get you out of the business. You think they are rats. . . . You used to be such good friends. Now you wonder how you could have been associated with these heels in business for so many years."

Mr. Harmelin reported on the result of a survey he made on the need for

(CONTINUED ON PAGE 21)

## Acree Pleads For Better Tax Break For New Insurers

WASHINGTON—John T. Acree Jr., 1st vice-president of Life Insurers Conference, told the Senate finance committee the total proposed tax on the income of life companies was too high, and the bill should be modified to grant relief to smaller companies and maintain equitable competitive tax relationships.



John T. Acree Jr.

Mr. Acree, who is president of Lincoln Income Life of Louisville, said the bill should recognize the fact that the typical life company loses money for quite a number of years after it is organized. Because of this fact, section 812 should be changed so that the operating losses in the early years may be carried forward for say, 15 years rather than for only five years.

Any cost to the government in tax revenue would be "relatively insignificant," Mr. Acree declared.

### Believes Large Companies Acquiescent

"I am also sure that no large company would object to this relief. Anyone at all familiar with the life insurance business knows that a new life insurance company has a hard time getting started and competing with established companies. There is a need to build up surplus funds to provide security as the business increases, and this need comes just at the time the companies are losing money. These new companies must compete with well-established large companies which do not have this problem."

Mr. Acree said the reserves of the smaller companies are not quite so strong as the reserves of large companies.

"The net result is that apparent earnings—which are subject to tax—on exactly the same experience and with exactly the same expenses will be more than with the large companies," he said. "The relief I have suggested will compensate, at least in part, for this fact."

The present bill, he stated, loses sight of the need for a transition period where there is a substantial increase in tax.

### Takes Time To Adjust

"It takes time for a company to adjust to an extra tax burden such as is now contemplated. All but five of the 94 members of the Life Insurers Conference are stock companies, and we issue policies at fixed rates which we can't increase. Consequently, it is particularly hard for us to adjust to a substantially higher tax. A mutual company, theoretically at least, may cut dividends. A transition period would be of material aid in permitting us to adjust to a tax level which on the average seems to be almost twice what we have been paying."

Mr. Acree said the companies of the Life Insurers Conference are very much concerned with competition, and he expressed the hope that "neutrality in taxation, as between stocks and mutuals, which we have had for many years, will be maintained to the fullest extent possible."

"I need not tell you that my com-  
(CONTINUED ON PAGE 21)

**OHIO  
is  
next!**

Soon we will be making  
agency appointments in Ohio...

\*American Health Insurance, like its present agencies, is growing on a planned progression program. In 13 other states it has built outstanding agencies—Ohio is next—and as elsewhere, we expect to do a good job and a big one.

**Do you belong in our picture?** Your most valuable asset—to yourself and to us—is your local reputation. We know, from our background of 20 years of sound, specialized experience, that people like best to do business with a home town business man. To be an American Health Agent you must fill that bill—with enthusiasm, integrity and diligence.

**The company and agent** who specialize in personal and family insurance serve the public best. By specializing, the company can give its policy owners better value, better coverage, better service. As a specialist, the agent can develop his professional skill, with sufficient time devoted to administering service. American Health seeks substantial volume at a limited, carefully selected number of points—where local service can be provided thru local agents who serve the company faithfully and the public honorably. Only under these conditions is the cost of good local service justified.

**If you desire a professional career in business for yourself**, this is a unique opportunity. With thorough training, with full company support, and with personal application you can give the amount and quality of service to find a successful and profitable career. Your career will be based on satisfied policy holders.

\*American Health sets a pattern—in designing its coverages, in establishing its rates, in its underwriting methods—that permits the local

Managing Agent (who is the company in his territory) to pay claims on the spot promptly and without red tape. Any informed agent is fully aware of the importance of prompt claim payments to the growth of his business.

**If you are the kind of agent we are seeking**, you'll be delighted to find that American Health is your kind of company. You'll want to learn more about the very special opportunity we have to offer now . . . in Ohio.

**"Where there's a will there's a way."** Write for our booklets, "The American Health Story" and "Automatic Progression Program." A sound, secure, profitable career is available to the man who has the will . . . for here is a way. Write direct to Agency Department, AMERICAN HEALTH INSURANCE CORPORATION, 300 St. Paul Place, Baltimore 2, Md.

**Our representative will be in Ohio in the weeks ahead.** Inquire promptly so that you may be included in his plans.

\*A specialist insurer with a reputation for integrity.



*It makes sense to expect special results from a specialist in the field*



# 79th Annual Statement

January 1, 1959

## ASSETS

CASH AND U. S. GOVERNMENT BONDS . . .	\$ 12,306,008.32
OTHER BONDS . . . . .	20,805,588.86
(Including state, county, and municipal bonds)	
STOCKS . . . . .	37,399,175.06
(Investments in leading American industries)	
REAL ESTATE OWNED . . . . .	21,144,663.53
(Including real estate sold under contract)	
MORTGAGE LOANS . . . . .	28,438,066.00
(On improved properties, including loans insured by Federal Housing Authority)	
LOANS TO POLICYHOLDERS . . . . .	20,510,309.18
PREMIUMS IN COURSE OF COLLECTION AND OTHER ASSETS . . . . .	8,091,517.06
(Premiums included herein were due but not received at the Home Office Jan. 1. A reserve of corresponding amount is included in our liabilities.)	
INTEREST DUE AND ACCRUED . . . . .	957,545.42
TOTAL ADMITTED ASSETS . . . . .	\$149,652,873.43

EARNED PREMIUMS—\$135,411,100.88

## LIABILITIES

POLICY RESERVES, LIFE INSURANCE . . . . .	\$ 61,837,883.50
(This is the amount which with interest and future premiums pays all policy claims as they mature.)	
POLICY RESERVES OTHER THAN LIFE INSURANCE . . . . .	7,266,853.19
(Unearned premiums and additional reserves for non-cancellable policies.)	
RESERVES FOR CLAIMS IN PROCESS OR UNREPORTED . . . . .	13,623,356.12
(Including claims on which proofs have not been submitted to the company.)	
PREMIUMS PAID IN ADVANCE . . . . .	12,541,971.41
(On both Life Insurance and other than Life Insurance policies.)	
ALL OTHER LIABILITIES . . . . .	11,853,017.16
(Including taxes, interest paid in advance, expenses, etc.)	
RESERVE FOR MARKET FLUCTUATIONS . . . . .	\$ 2,835,146.59
RESERVE FOR OTHER FLUCTUATIONS . . . . .	25,000,000.00
PAID UP CAPITAL . . . . .	3,500,000.00
UNASSIGNED SURPLUS . . . . .	11,194,645.46
SURPLUS TO POLICYHOLDERS . . . . .	42,529,792.05
TOTAL LIABILITIES . . . . .	\$149,652,873.43

LIFE INSURANCE IN FORCE—\$652,182,580.00

# BANKERS LIFE & CASUALTY CO.

Chicago 30, Illinois

John D. MacArthur, President

## Challenges Blue Cross Claims, Charges It Promotes Socialism

"If socialized medicine comes to the U.S., it will be built on the scaffold Blue Cross has erected," declared Frank H. Weisman, regional group manager at Chicago of Bankers Life of Iowa, before the March meeting of Chicago A&H Assn.

Mr. Weisman, who is president of Chicago Group Insurance Assn., and who was formerly with California Blue

Cross, reviewed the history of Blue Cross-Blue Shield from their origin in California and Baylor University. He challenged the validity of claims made by Blue Cross and scoffed at the idea that it is a non-profit social service. The only beneficiaries are the stockholders of Blue Cross, and "the only right the individual has is to pay dues," he said.

He particularly assailed what he termed "insidious hospital relations work" by which Blue Cross induces hospital admissions people to snipe at A&S companies. He also charged Blue

Cross with setting up "sweetheart deals" with hospitals in which Blue Cross would pay only cost plus 5%.

California today has socialized medicine, with the state writing 60% of the premiums, Mr. Weisman declared. In some places, 20% of the medical expenses of the employed are paid by county welfare boards. "When somebody is paying you, you work for them," he declared.

February sales of **Equitable Life of Iowa** totaled \$14,530,299, up 7% over February, 1958.

## Program Completed For LOMA Automation Forum, April 13-15

The program for LOMA's automation forum at the Drake Hotel, Chicago, April 13-15, has been set. The meeting will get under way with a general session on Monday, at which Everett H. Lane, president of LOMA, will deliver the welcome address. Key-note speaker will be Morris G. Fuller, president of State Farm Life, and then Charles E. Grody, general auditor of New York Life, will discuss "A Constructive Auditing Approach Toward Electronic Data Processing."

Monday afternoon meetings will include six panel sessions on the subjects of methods used to compare operating costs before and after electronic data processing machine installation; planning and conversion cost considerations; peripheral equipment; development of machine programs; debit applications, and group applications.

Panel discussions scheduled for Tuesday are organizing for automation; network communications systems; electronic data processing system controls; data processing equipment; rental vs purchase of equipment; automatic programming; general approach to ordinary systems; converting to the new system, and three small panel sessions, also planned for Tuesday, will discuss personnel considerations in preparing for, developing and operating electronic data processing systems.

Wednesday morning panels will include an appraisal of the feasibility of the computer and an informal discussion of a wide range of machine applications.

The general session on Wednesday will conclude the forum with an address by E. D. Dwyer, chief, Navy management office, Department of the Navy, who will speak on, "Can the Contemporary Executive Cope with the Computer Challenge?"

## Insurance Careers Theme Of Florida State I-Day

"Career Opportunities in the Business of Insurance," was the theme of Florida State University's annual Campus I-Day at Tallahassee. The day long program was a joint venture of Insurance & Real Estate Society of the university and the Florida chapter of CPCU. Held annually, it is designed to interest students in choosing a career in insurance. The university has more than 200 insurance majors.

The morning session was devoted to a discussion of "Property and Casualty Company Careers," by John J. Leddy, director of education of American; "Career Opportunities in the Agency System," by Hugh Donovan of B. E. Hardacre Co., Jacksonville agency; "Career Opportunities as a Direct Company Representative," by Howard Carasik, Allstate; "Life Insurance Sales Career," by Jackson Fields, Jacksonville general agent of Aetna Life; "Life Insurance Company Careers," by R. Millard Oliphant, personnel officer of Gulf Life; and "Career Opportunities in the Public's Service," by Commissioner Larson.

The afternoon session was used for student interviews with company executives.

The directors of **Bankers National Life** have declared a dividend of 10 cents per share on capital stock, payable March 16 to stockholders of record March 6.

*"No wonder I like to sell John Hancock"*

**He can serve every client  
—and each one completely**

Selling is easier for the John Hancock representative because he can offer his clients and prospects a wide range of individual plans — plans which meet *every* life insurance need.

In addition, he can offer a variety of attractive benefits and features such as the new Insurance of Insurability rider for under-forty clients, and the new special allowance at attained age conversion of term to permanent plans.

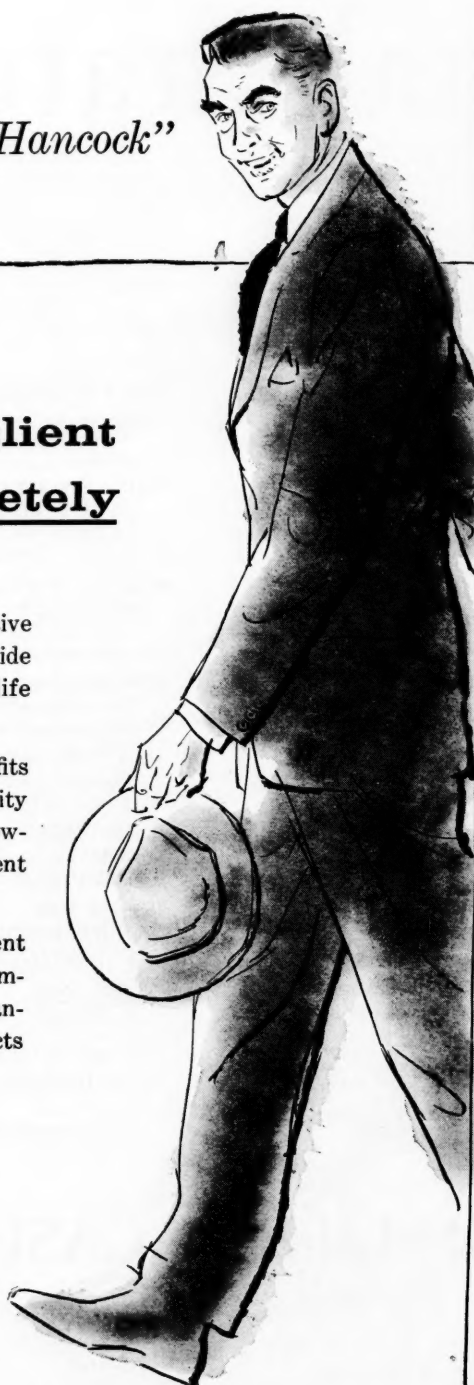
Individual Personal Health and Group Life, Accident and Health coverages are other strong assets in the complete John Hancock portfolio. No wonder the John Hancock man delivers outstanding service to his prospects and clients — with solid rewards for himself!

*John Hancock*  
MUTUAL LIFE INSURANCE COMPANY  
BOSTON, MASSACHUSETTS

The John Hancock Signature Series



the most advanced life insurance portfolio







SIX

YEARS

**BUSINESS  
IN FORCE**

**QUARTER-BILLION**

**\$**

ACTIVE

OPERATION

TRANSLATED—THIS MEANS IN SIX YEARS OF  
ACTIVE OPERATION BUSINESS IN FORCE OVER

**\$250,000,000**

**THERE IS A REASON FOR OUR PROGRESS**

WRITE OR WIRE CONCERNING YOUR OPPORTUNITY

IN THIS DYNAMIC SALES ORGANIZATION

OPERATING COAST TO COAST IN 32 STATES

AND THE DISTRICT OF COLUMBIA

**AGENCY DEPARTMENT**

**LEO SEXTON**  
Senior Vice President

**JAMES B. SISKE**  
Agency Vice President

**JOSEPH M. McCARTHY**  
Assistant Vice President

**JAMES G. RANNI, President**

**MIAMI**



**FLORIDA**

## N. Y. AGENTS SALES CONGRESS

## Increased Commission Keys, Future Of Keogh-Simpson Bill Are Highlighted

By WILLIAM MACFARLANE

—In which often-neglected life insurance sales market are the members less concerned with net costs and surrender values and more interested in building an estate?

—Can an agent's sense of timing make the difference between success

and failure in life insurance sales?

—Does the Keogh-Simpson bill stand a better than even chance of passage in this session of Congress?

—Is it possible for an agent to virtually never step inside his office and still be a million-dollar producer?

At the annual sales conference of New York City Life Underwriters

Assn., three speakers rounded out the afternoon program with some of the answers to these questions and others like them which concern agents interested in boosting commissions.

Vera Sundelson, associate manager of Equitable Society, was program chairman and the first woman to organize a congress for the association.

Charles C. Robinson, communications consultant to life companies and former vice-president of Columbian National, in his speech, "What Makes A Successful Agent?" said the things that successful agents do to achieve

their position are so simple that they are almost unbelievable. The real roots of their success, therefore, can be found in their tremendous personal drive which most often comes from an equally powerful belief in what they are selling.

In line with this reasoning, Mr. Robinson told of one million-dollar producer who, before attempting to sell a prospect, had to answer to his own satisfaction these questions:

—If the prospect does not buy the life insurance program mapped out for him and he dies, what will be the effect on his family? If he does buy and lives, what will be the effect on him?

Once the agent can satisfactorily answer these two questions, and imparts this understanding to the prospect, then that is the end of the sales approach. Whether the interview ends in a sale or a turn-down, the agent has done the best sales job he can ever hope to accomplish.

## Timing Necessary

A good sense of timing, Mr. Robinson noted, is an all-important factor in the make-up of the agent who wants to boost commissions. One Million Dollar Round Table member passed on to Mr. Robinson an example of how this worked for him. Every time a person dies in the MDRT qualifier's city, he gets a list of the pallbearers and arranges for an immediate appointment.

"There can be no better time in a man's life than this to discuss his estate planning," Mr. Robinson said.

Another piece of advice he passed along to his audience was the admonition to seek out uncrowded markets. Why, for example, he asked, "more agents don't try to sell to men over 60, I don't know."

Mr. Robinson described this as a market made up of mature prospects who, when they are insurable, are primarily interested in building an estate. Sales approaches which include

(CONTINUED ON PAGE 22)

## A case for AETNA LIFE'S PENSION PLANNING SERVICE

Here's a local company well known to you . . . it's prosperous in a fast-expanding field. These men are members of the executive committee . . . you've written property insurance on the company . . . and probably you've done business with them individually.

But as a group, they are perfect prospects for Aetna Life's Pension Planning Service. A nearby Aetna Life General Agency has pension plan experts ready to help general insurance men develop and sell these substantial cases.

Why not check your files for companies (and men) like these, today?

C. Holmes Gardner  
& Assoc.



## Service to General Insurance Men

"Compass" is a monthly Aetna Life service publication written especially for general insurance men and brokers. It points out unusual opportunities for building commissions and for cementing relationships with your clients and their attorneys and accountants. To receive your copy regularly write: "Compass", Aetna Life Insurance Company, Hartford 15, Conn.



# AETNA LIFE

INSURANCE COMPANY

Affiliates: AETNA CASUALTY AND SURETY COMPANY • STANDARD FIRE INSURANCE COMPANY • Hartford, Connecticut

## Hagelman Heads Southern Heritage

R. R. Hagelman has been advanced from executive vice-president to president of Southern Heritage Life of Charlotte, N.C.

He succeeds Monroe M. Redden, who becomes vice-president and general counsel.

Jonathan Woody of Waynesville, N. C., was elected vice-chairman.

Ray Anderson and John R. Martin were promoted to secretary and treasurer, respectively.

The company sold \$13 million in 1958, its first year in business.

## Wikler Leaves N. Y. Department, Resumes Law Practice In N. Y. C.

Julius Wikler, former New York superintendent, has left the department to resume his membership in the New York City law firm of Wikler & Gottlieb. The firm now has been renamed Wikler, Gottlieb & Wikler.

Mr. Wikler, who served as director of the New York office of Office of Price Stabilization in 1951-52, joined the insurance department in March, 1955, as first deputy. In March, 1958, he succeeded Leffert Holz as superintendent.

Since Jan. 27 this year Mr. Wikler has been acting as a consultant to the present superintendent, Thomas Thacher, without pay.



## NALU TRUSTEE TELLS AGENTS FORUM:

## Federal Regulation Needed Because Of Poor Job 'In Great Many States'

Trustee Paul R. Green of NALU, who is general agent for Aetna Life at Seattle, told the agents forum at the midyear meeting of NALU in Minneapolis that he would "most certainly" advise his son to enter the life insurance business, not only on financial grounds but as a moral, mental and spiritual developer. He also found some things that badly need fixing, but said by the time his sons and grandsons are ready to go into the business "a lot of the weaknesses, problems and frustrations will have been eliminated, as I expect within the next five to 10 years we will have federal supervision in the life insurance, in fact, the entire insurance industry." He said steps have already been taken along that line. Following is a condensation of Mr. Green's talk:

When I started it was unheard of, in fact probably blasphemous, to even think about federal supervision. However, time has proven that states do not adequately supervise our great industry. Even the commissioners, when they get together, state unless they do a better job there's going to be federal supervision. Then a great many of them go back to their states and allow companies to be promoted with no idea of performing a real benefit to society, but merely for the promotion of some stock schemes.

Poorly regulated insurance departments in a number of our states have caused all of us trouble. It has taken away some of the confidence that the insuring public has had in the life insurance industry. Today we do not have the confidence of the insuring public that we did during the early and middle '30s. However, for my son and grandsons this will be changed.

## Foresees Bank-Type Prestige

The life insurance industry will enjoy the same prestige that our national banks have, and there are some of us who can remember when banking got into very bad reputé, due to lack of supervision and being unable to guarantee their deposits. While it's true that the good companies in most states would not allow a policyholder to lose any benefits on account of a poor company, yet the way this is handled at the present time compounds the weakness rather than eliminates it. With federal supervision the insurance industry will get the same kind of checking that our national bank examiners give to the national banks.

## NALU Can Do Better Job

While NALU has been of great help during the past decades for the field man, I can see where it can and should do an even better job for the field man. While we could never be a union, particularly in the sense that we now think of unions, yet we should get ourselves out of this untenable position we are now in, having gone before a National Labor Relations Board and disclaimed that we were in any way a bargaining agency. This has done us a lot of harm, and I hope to see this corrected, which it will be

by the time my son and grandsons enter the business.

Frankly, we don't have to be a labor union to be able to tell our great insurance companies in no uncertain terms how we feel about tremendous amounts of group insurance, and many other things that are being done today which are not even in their own best interests, let alone that of the insurance public and us agents. In other words, it looks to me as if we should save the companies from themselves.

Also, my son and grandsons will have it much better with their underwriting problems than we have been having. In fact, in the past year or so there has been more progress made in the acceptance of risks than I've seen in 30-odd years. Our company recently announced that we would go up to \$20,000 on non-medicals to age

30. Then there is the guaranteed insurability, and other things like that which will make it much better for everyone to work with.

## Climate Will Be Better

So, as I view it, the climate in which a life underwriter will operate in the next five to 10 years will be even better than we've had it in past years. Then, coupled with that, I would advise my son and grandsons to do a multiple line of insurance. This will have benefits too numerous to mention on this panel.

In conclusion, I want to emphatically state that life insurance has been a great business to be in, but I believe that with the weaknesses I have discussed eliminated it will be even a greater business and a greater opportunity in the next five to 10 years.

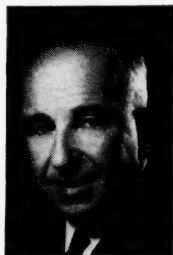
While these remarks have been directed primarily to the opportunities in selling life insurance yet I would like to add a postscript to my remarks: The agent is in a much better position than the manager or general agent. In fact, it is my observation that the companies are having a more difficult time getting good managers and

good general agents than they are in getting good salesmen.

It is very timely that GAMC has as its theme for this midyear meeting "The Man in the Middle," because we in management have certainly been squeezed, but I'm glad to say that many enlightened companies have started seeing the light so far as management is concerned, and perhaps the future will be brighter for agency management.

## Sales Vs Management

Frankly, if I had my last 30 years to live again, I doubt very much if I would take the management road, for with the same amount of energy expended I could have made much more money. Or to put it another way, I could have made as good a living as I have made with about half the effort that I put in management. However, that, too, will be changed, and if my son and grandsons decide to take the management road, by that time the companies will recognize that they must reward their managers and general agents adequately for what is known to be one of the toughest jobs in the field of management.



Paul R. Green

## Flexible-Age Retirement

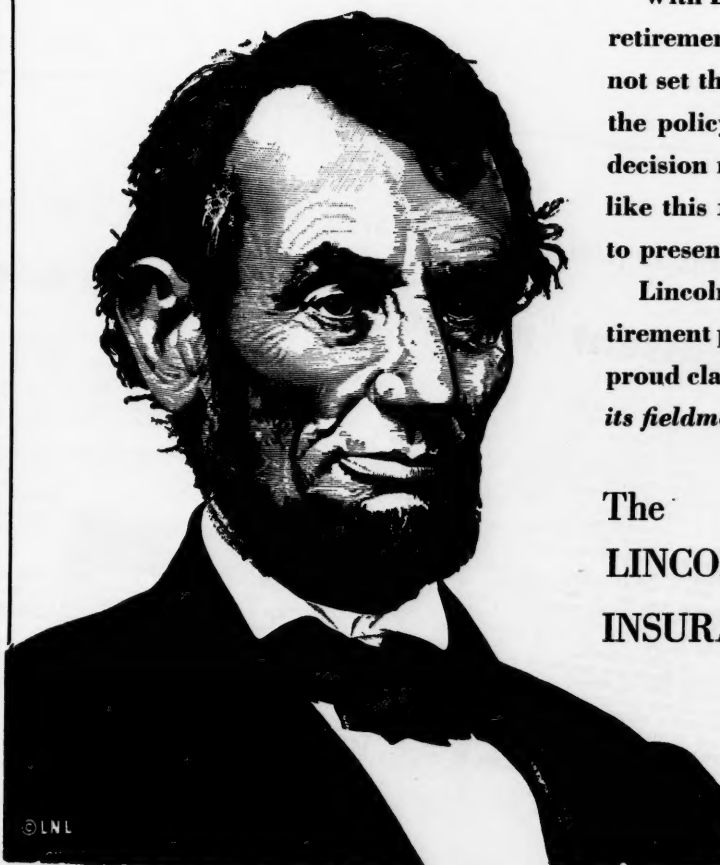
With Lincoln National's flexible-age retirement plan, the policyholder does not set the maturity date when buying the policy; he can wait and make his decision much later. Naturally, clients like this feature, and LNL agents like to present it.

Lincoln National's flexible-age retirement plan is another reason for our proud claim that LNL is geared to help its fieldmen.

The  
LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

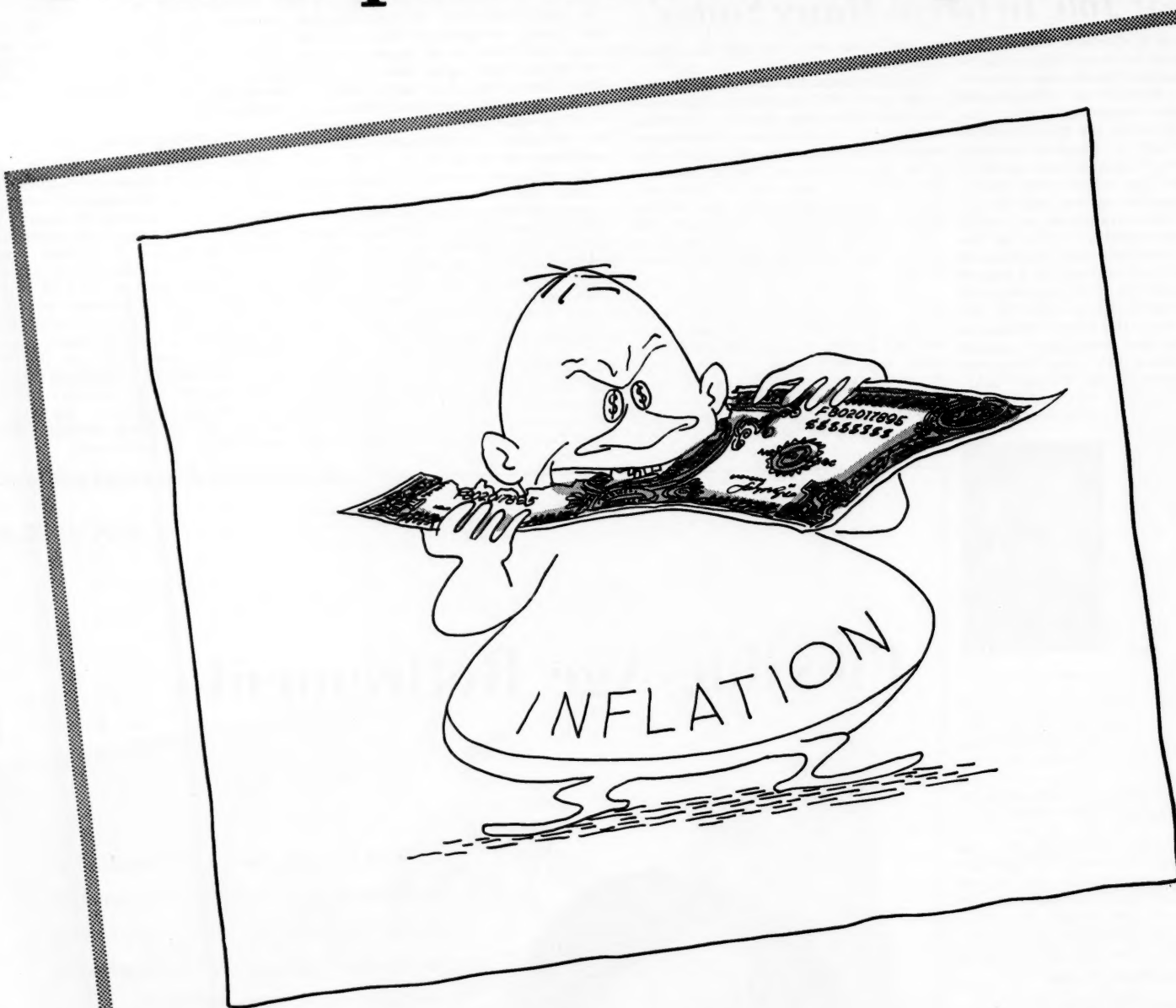
Fort Wayne, Indiana

Its Name Indicates Its Character



© LNL

# Now—a powerful new program



And this is just since the war!

## The persistent "nibble" that adds up to a big 32¢ "bite"

The nibbling on your dollar goes on and on. Your payroll dollar. Your savings and on. Your payroll dollar. Your savings dollar. Just since the war, 32 cents have vanished from the dollar. And the history of inflation all over the world shows that it has a tendency to run faster and faster.

Some people can ride with the tide. But lots of us can't. For most of us, making ends meet is a constant rat race. One reason further inflation can happen here is that we, as a nation, are living beyond our income.

When you hear of millions or billions being poured out on a new project, it's easy to get the idea that government funds come out of a bottomless purse. Instead every cent comes out of your pocket. In taxes . . . or higher prices.

Of course there are dozens of new benefits we'd all like to have . . . but are we prepared to pay the price of these benefits through higher taxes? If we keep on asking, we've got to be ready to keep on paying. There is a way we can stop further inflation.

The most important thing you can do in

the fight against inflation is to see that the government—federal, state and local—spends your tax money wisely. You can encourage your representative in Congress, for instance, to fight against expenditures that may be better postponed and to work for a balanced budget.

A move in the right direction would be to see that the Employment Act is made more

effective by setting a stable dollar as one of our primary goals along with maximum employment, production and purchasing power. A balanced budget and a stable dollar will encourage people to add to their savings. Not only will a growing nest-egg bring a comfortable feeling of independence and security to millions. But those savings, as they are invested, will provide the capital needed for America's future growth. The first requirement for a strong and more prosperous America is a strong and stable dollar.

Brought to you in the interest of every American who is concerned with preserving the value of the dollar.

**INSTITUTE OF LIFE INSURANCE**  
Central Source of Information about Life Insurance  
488 MADISON AVENUE, NEW YORK 22, N. Y.



**Inflation is "the cruelest tax of all"**

Appearing  
in larger size  
in America's  
newspapers



# m to enlist Americans actively in the fight against inflation!

**New public service program tells how inflation steals from every pocket and purse...and offers weapons to fight this threat to a stable dollar!**

**L**IFE INSURANCE PEOPLE know the dangers of unchecked inflation. They know the disturbing penalties every American pays for inflation.

In view of this continuing threat, the Institute of Life Insurance, on behalf of the life insurance business, is stepping up its anti-inflation effort with an aggressive new program.

Newspaper advertisements dramatize in a clear, simple way this important anti-inflation message. Shown in the sample advertisement on the left is the symbol we've chosen. It's a symbol that quickly gets its meaning across to people on every income level—the white-collar man, factory worker, housewife, college man, cop on the beat.

Each message in this new series by the Institute

of Life Insurance makes it clear that inflation is reaching into the pockets of every single American...and has already eaten 32¢ out of the dollar since World War II.

*At the same time, each message emphasizes the fact that inflation can be stopped. Readers are told how they can take action against inflation right now.*

What's more, because no one person or business can win this fight alone, *special advertisements* will appear in leading news magazines. These messages will urge community, business and industrial leaders to enlist in the anti-inflation campaign. Special kits to implement this program will be available on a write-in basis.

## **Quick facts about this campaign:**

**Where it will appear**—Messages such as the one on the left are scheduled for 575 daily newspapers across the nation. Each advertisement in the series reaches more than 46 million persons.

**When it will appear**—The first advertisements of the series began appearing in March. Others will follow at frequent intervals.

**Special advertisements**—A series of messages enlisting the support of community, business and industrial leaders will appear in *Time*, *Newsweek*, and *U. S. News & World Report*.

**How you can help**—A special anti-inflation kit including new booklets, posters, speech material, reprints of Institute advertisements will be offered at cost. This kit and other supporting materials for the program will be made available to you through home office and association channels for distribution in your community.

**Institute of Life Insurance**

488 Madison Avenue, New York 22, N. Y.

## Draft Report Gives Proposal For NALU Committees' Lineup

The pre-convention draft of amendments to be presented to the midyear meeting of NALU by the by-laws committee centered principally on the changes in the standing committee structure.

The committee proposed that the standing committees of NALU be the following: agents activities, associations (local and state), constitution

and resolutions, compensation, convention, disability insurance, education and training, estate planning coordination, federal law and legislation, field practices, finance, membership, nominations, past national presidents, public relations, quality business, state law and legislation, women underwriters.

### At Least Five Members

The section immediately following the listing of committees would read as follows: "Except as otherwise provided in these by-laws, each standing

committee shall consist of not less than five and the chairman of each committee shall be designated by the president; provided, however, that the committee of past national presidents shall be composed of all active past national presidents and there shall be added thereto each year the retiring national president. Five members shall constitute a quorum of the committee on past national presidents."

The by-law's committee reported that if the proposed amendment to the committee structure were adopted, (CONTINUED ON PAGE 26)

## Criticizes Assumed Interest Rate Basis In Company Tax Bill

WASHINGTON—Although a life insurance company income tax bill now before the Senate finance committee is "well thought out, and its authors seem deserving of thanks from life insurance people for having recognized and provided for the peculiarities of the life insurance business," several points can be improved materially without sacrifice of principle and without sacrifice of much of its capacity to produce revenue, Charles A. Taylor, president Life of Virginia, said at the committee hearing.



Charles A. Taylor

In phase 1 of this bill, which imposes a tax on investment income, the concept of determining a reserve interest deduction by revaluing life insurance reserves to conform to the actual rate of interest earned by each individual company is "ingenious, workable and equitable," Mr. Taylor said. However, the modification of this concept in the bill by using, instead of the actual rate of interest earned by each company, the mean of that rate and the rate of interest assumed by each company, seems "unfortunate and unnecessary," he added.

### Gives Company The Control

"What's wrong with the introduction in part of the assumed interest rate is that this rate is, to a large extent, within the control of the companies and is necessarily somewhat artificial and selected by companies for practical reasons," he said. "The provision (in the bill) for basing taxes in part upon the assumed rate might well place a premium, through a tax inducement, upon weakening policy reserves."

"The suggestion many of us would make is that instead of using the mean of the assumed rate and the actual rate, the bill be amended to use instead the average of the actual rates earned by each company over the latest five-year period. This would produce a great deal more revenue, under present conditions, than the actual rate for a single year, but not quite as much as under the bill as now written."

### Permits Reasonable Additions

In discussing phase 2 of the tax bill, which imposes a partial or interim tax on gains from operations other than investment income, Mr. Taylor said that this section permits reasonable amounts to be added, as a company

(CONTINUED ON PAGE 26)

*"The only way to  
GROW is GO*

*... and now  
we're going for*

**THREE BILLION**  
*in record time."*



Theo. P. Beasley  
President



*why don't you join the Go Team*

Today is a good time

to investigate the exclusive

**BROKERAGE OPPORTUNITY**

with the GO Company

Contact Edward R. Nadalin,

Assistant Vice President & Director of Brokerage

**REPUBLIC NATIONAL LIFE INSURANCE COMPANY • HOME OFFICE • DALLAS**

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION  
GROUP • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

## MANAGEMENT A CONSULTANTS

### O'TOOLE ASSOCIATES

Management Consultants  
To Insurance Companies  
Established 1945  
220-02 Hempstead Avenue  
Queens Village 29, N. Y.

### CONSULTANTS

IN MARKETING AND FOR THE MANAGEMENT INSURANCE BUSINESS  
**FRANK LANG & ASSOCIATES**  
ONE NORTH LASALLE ST. CHICAGO 2, ILLINOIS  
521 FIFTH AVENUE NEW YORK 17, N.Y.



## DISCOVER the DIFFERENCE



Pasteur little dreamed of the far reaching effect his theory and research of bacteria would have on the medical profession. Security Benefit Life knows full well the impact it is making, and will continue to make, in the Life Insurance Industry as the result of their theory of "flexibility" underwriting—geared to the ever changing needs and demands of a discriminating public.

Licensed in most states, Security Benefit is a sound, established, highly rated company, offering its representatives up-to-date policies, efficient Home Office co-operation, plus tested sales aids. We feel we are the Company with the DIFFERENCE—here's just a few reasons why:

- Top first year and renewal commissions for General Agents (Liberal vesting provisions)
- Exclusive substandard facilities for you and your brokers
- Lifetime Service Fee
- Disability income when sick or disabled
- Liberal retirement plan
- Office allowances

## CAREER OPPORTUNITY

### IN NORTHEASTERN COLORADO

An excellent opportunity is available in prosperous Northeastern Colorado for the man whose experience and ability qualify him for personal producing General Agency responsibilities. Apply for this fine opportunity if you feel you can fulfill its challenging and rewarding duties! Please send a complete summary of your personal and business experience. All replies will be kept in strict confidence. Write today to:

**MARC F. GOODRICH, C.L.U.**

Assistant Director of Agencies

Dept. 43

**SECURITY BENEFIT LIFE**  
INSURANCE COMPANY Topeka, Kansas

## Changes In The Field

### Bankers Life Of Iowa



James Pfaff

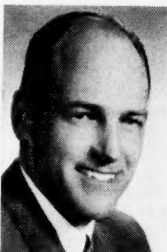
James A. Pfaff, a field supervisor, has been named an agency manager at Chicago. He began in insurance in 1952 as a debit agent for Washington National at Cleveland, becoming a general agent there for Mutual Savings Life a year later. He was named a district manager in 1954 and the same year joined American National as training director at Cleveland. He went with Bankers Life in 1958.

### State Life Of Indiana

Thomas B. Gallaher Jr. has been named regional director for Texas, Oklahoma and Louisiana. He has been in field work and in the home office as training instructor.

Michael Kennedy has been appointed district manager at Oklahoma City.

### Northwestern Mutual



Dennis W. Laudon

Dennis W. Laudon has been named general agent at Milwaukee, succeeding Willard L. Momsen, who is retiring. Mr. Momsen, who joined the company in 1932, was general agent at Boston before taking the Milwaukee position. He will continue on a consulting basis.

The story was reported in last week's issue but the wrong cut was used for Mr. Laudon, who joined Northwestern Mutual in 1949 and was appointed assistant to Mr. Momsen in 1951.

### Occidental Of California

John P. Hogan has been appointed manager at Torrance, Cal. He joined Occidental's home office in 1952 and since 1956 has been assistant manager at West Los Angeles.

### State Mutual Life



George W. Boughner

George W. Boughner has been appointed manager of the newly established agency at South Bend. He entered the life business in 1932 and is a past president of South Bend General Agents & Managers Assn.

### Life Of North America

Frederick W. Tasney, group sales specialist at the home office since 1957, has been named group manager at Baltimore.

### American United

Richard L. Morrison Jr. and Robert L. Hulley have been named managers

at Bellwood, Ill., and Syracuse, Ind., respectively. Mr. Morrison has been in the business seven years, and Mr. Hulley five years.

### Massachusetts Mutual

Harris L. Klein has been appointed supervisor at Miami. He is a CLU.

### Lincoln National Life

William L. Cassard has been appointed supervisor in the Tinkham-Loos agency at Pittsburgh.

### Prudential

Russell H. Griesback, former manager of the New Brunswick, N. J., district agency, has been appointed director of agencies for southern New Jersey.

Albert J. Rudge, manager of the

## Second Year Sales Show New Gains!



Mr. James G. Mallas  
1008 Johnston Building  
Charlotte, North Carolina

Dear Jim:

The record of production and earnings which you have compiled during your first few months with Protective Life is indicative of the fine records being compiled by so many of the new field men which the Company has added in its recently inaugurated Expansion Program.

Mr. James G. Mallas  
1008 Johnston Building  
Charlotte, North Carolina

Dear Jim:

Congratulations on your continued success! When I wrote the above letter to you last winter, you had then earned more than \$4,500 in commissions during your first three months with the Company and seemed well on the way to earning \$20,000 in your first year with Protective Life.

Production records for the past 12 months indicate that you have continued this splendid record and are moving toward even higher goals. Keep up your wonderful growth!

Protective Life is continuing to grow with you. When you joined us, the Company had just passed the \$900,000,000 life insurance in force mark. Now we have more than a billion dollars in force.

Such progress demands an expanding program of new and better methods, sales material and policy contracts. Protective Life will continue to provide the top assistance in the industry.

Jim, there are any number of good companies with whom you could achieve life insurance success. We are grateful that you are giving Protective Life the chance to provide you the opportunity.

Your sincere good friend,

*William J. Rushton*  
William J. Rushton  
President

## PROTECTIVE LIFE

William J. Rushton  
President

Serving the South  
Since 1907



Insurance Company

PROTECTIVE LIFE BUILDING  
BIRMINGHAM, ALABAMA

East Liberty district, Pittsburgh, since 1934, has been appointed manager of the Golden Triangle district.

### Kansas City Life

Joseph A. Brannon has been appointed manager at Cincinnati. He has been in the business five years.

**LINCOLN LIBERTY LIFE** has appointed E. J. Tankersley Jr. general agent at San Antonio.

### Paul Revere-Mass. Protective

William R. Tenney, former regional training supervisor of the eastern sales region, has been named general agent at Hackensack, N.J. He has also been with Prudential.



William R. Tenney

### Indianapolis Life

Frank Whelan has been appointed general agent at Rochester, Minn. He has been with Bankers Life of Iowa since 1951.

**NORTHERN LIFE** of Seattle has named James A. Thompson, formerly manager at Seattle, supervisor for Washington, and Guy F. Bennett, formerly assistant manager at Seattle, to succeed Mr. Thompson there.

### New England Life



Jack Halberstadt

Jack Halberstadt has been appointed manager at Philadelphia. Mr. Halberstadt, a CLU, joined New England Life in 1954.

## NORTH AMERICAN



### HIGHLIGHTS OF 1958

Gain to life insurance in force  
\$117,039,788

Accrued life insurance in force  
\$264,340,422

Increase to Reserves  
\$21,286,416

Increase to Surplus Funds  
\$2,029,032

Payments to policyowners and beneficiaries during year  
\$10,773,209

Accrued payments to policyowners plus funds held for their benefit  
\$146,992,674

Ratio, Assets to Liabilities  
127%

### EXECUTIVE STAFF:

CHARLES W. DOW, Chairman

ALLEN V. DOWLING, President

R. D. WISELY, Vice President—Treasurer

S. R. RAUWOLF, Vice President—Agencies

R. L. BLOCK, Vice President—Investments

STERLING HARRISON, Vice President

H. E. BOOSTROM, Secretary

CLAUD C. COX, Counsel

## SEVENTY THIRD

# Annual Report

1958

### FINANCIAL STATEMENT

DECEMBER 31, 1958

### Assets or Resources

	Amount
Cash in Office and Banks . . . . .	\$ 1,502,437.04
Bonds:	
U. S. Government . . . . .	5,661,327.81
State and Municipal . . . . .	1,596,192.42
Railroad . . . . .	3,647,350.00
Public Utilities . . . . .	2,756,098.00
Industrial . . . . .	6,883,405.00
Preferred and Common Stock . . . . .	1,455,366.74
Real Estate Owned . . . . .	847,607.19
Mortgages: 1st Liens on Improved City Property . . . . .	15,882,171.90
Loans to Policyholders . . . . .	1,439,620.98
Accrued Interest & Rents . . . . .	268,594.32
Premiums in Course of Collection . . . . .	1,926,590.43
	<b>\$43,866,761.83</b>

### Reserves, Liabilities and Surplus

	Amount
Reserve to Guarantee Policy Obligations . . . . .	\$32,069,501.81
Premiums Paid in Advance . . . . .	159,286.14
Reserve for Federal and State Taxes . . . . .	622,000.00
Miscellaneous Liabilities . . . . .	1,438,429.62
Voluntary Contingency Reserve . . . . .	\$1,035,000.00
Capital Stock, Fully Paid . . . . .	1,000,000.00
Surplus . . . . .	7,542,544.26
Excess Security to Policyholders . . . . .	9,577,544.26
	<b>\$43,866,761.83</b>

## NORTH AMERICAN

ALLEN V. DOWLING, PRESIDENT

SINCE 1886

ACCIDENT  
INSURANCE  
COMPANY

Operating in 48 States and District of Columbia

209 SOUTH LASALLE STREET • CHICAGO 4, ILLINOIS

### New State Mutual Policy's Waiver Covers To Age 65

The Executive 65, a key-man policy designed especially for funding deferred compensation cases, has been introduced by State Mutual Life. Its unusual feature is that it may be issued with a waiver of premium disability rider effective for disability occurring, prior to the insured's 65th birthday. Most waiver of premium riders cover only disabilities that happen before age 60.

The Executive 65 matures as an endowment at age 95 and becomes paid-up at age 65. It is issued in minimum face amounts of \$25,000, and is available to men from ages 16 to 55, and to women 19 to 55. For women the Executive 65 policy will be underwritten with a three-year rate-down credit, except in those states which have not approved such credit. The guaranteed insurability rider may be issued with the Executive 65.

### State Mutual Has '650'

An I.B.M. magnetic drum data processing machine, better known as a "650 computer," has been put into operation at State Mutual Life. It will be integrated with State Mutual's already highly mechanized operations that process insurance and accounting transactions.

### Prudential Makes 7 Awards

Prudential has awarded its "president's citation" for 1958 to seven district offices in the company's seven-state north central home office territory. The citation is awarded annually to the top 10% of its district agencies throughout the U. S. and Canada. The north central award-winning districts are Mankato, Minn.; Oshkosh and Sheboygan, Wis.; Waterloo, Cedar Rapids, and Davenport, Ia., and the River-view district in Trenton, Mich.

All American L. & C. has formed a "president's continuous production club" designed to encourage its agents to insure not less than 100 lives in 1959.

## A Service Guide

### ACTUARIAL COMPUTING SERVICE, INC.



1389 Peachtree Street,  
N. E., Atlanta 8, Georgia,  
P.O. Box 6192, Tel.  
TRinity 5-6727.

### CONFIDENTIAL NEGOTIATIONS FOR SALE OF INSURANCE COMPANIES

RALPH F. COLTON  
30 N. LaSalle St. Chicago 2, Ill.  
Financial 6-9792



## Home Office Changes

### Colonial Life



W. Thomas Fiquet

W. Thomas Fiquet, former senior consultant of LIAMA's company relations division, has been appointed director of ordinary general agencies. He entered the business with Prudential at Kansas City and later was named assistant manager at St. Joseph, Mo. In 1951 he became manager there for American Reserve Life.

### American National

The following have been promoted to assistant vice-president:

George Christopher, sales coordinator since 1954, continuing as sales coordinator; R. C. Engelke, assistant secretary since 1954; A. M. Jockusch, named manager of the home office ordinary agency in 1954, also secretary of ordinary agencies; C. J. Skarke Jr., assistant secretary since 1948; H. F. Taylor, named assistant secretary in 1948, and R. C. Weaver, assistant secretary and auditor since 1948, also assistant secretary.

A. C. Braikovich, cost accounting and research manager since 1957, was advanced to assistant secretary.

### Cal-Western States

William D. Daniels has been named 2nd vice-president and director of training, and Elzie H. Jenkins superin-



William D. Daniels



Elzie H. Jenkins

tendent of Texas agencies. Mr. Daniels joined the company in 1951 and since 1954 has been director of training. He was assistant director of the Purdue institute. Mr. Jenkins has been manager at Dallas since 1956.

### Life Of North America

Vincent A. Scamell, director of group field service, has been appointed manager of group services and special assistant to Milton F. Chauner, group vice-president. John J. Quinlan, group regional manager at Philadelphia, has been named manager of group sales.

### Great Southern Life

Jack C. Harris, Carmon L. Greenwood, Dr. Fred Dinkler, and Joseph W. Hahn have been named vice-presidents. Dr. Dinkler will continue as medical director, and Mr. Hahn as actuary.

Also promoted are P. G. Combs to secretary; R. S. Boyle, formerly auditor, to controller; Walter S. Dewar, assistant actuary, to associate actuary; and William T. Barnhill Jr. to auditor. Vice-president F. Jack Greenwood,

formerly secretary, was named assistant treasurer. New assistant secretaries are Joseph E. Simpson, John C. May, John G. Jones, J. Pat Jones and N. L. Williams. Fred C. Cassel Jr. was elevated from assistant secretary to assistant vice-president and director of research, and Berney Morgan from assistant secretary of A&S claims to assistant vice-president. New department managers are Assistant Secretary H. C. Avant, policy; Assistant Secretary William L. Tidwell, policy change; Guy Minter, treasury; and H. D. Lehde, accounting.

### Life Of Virginia

William A. Hallett Jr. has been appointed manager of the group administration division. He joined the home office staff in 1957 as administrative assistant in the group department. He previously served for four years in the same capacity with Liberty Life.

Elected assistant actuary is Harvey H. Conklin, formerly of the actuarial staff of Metropolitan Life. He is a fellow of the Society of Actuaries.

### Massachusetts Mutual

Named assistant directors of the group pension division are George P. Burke Jr., manager of the underwriting and contract section since 1956, and J. Harold Talbot Jr., manager of the administrative section since 1956.

### Metropolitan Life

Dr. Paul I. Robinson, coordinator of medical relations, has been appointed associate medical director and Lewis W. Marvin, administrative assistant, claims division, becomes assistant vice-president of claims. Dr. Robinson,

# NEWS NOTE

from

# FIDELITY

A WELL-BALANCED COMPANY

## NEW IN 1959

### ...Executive Special—30 Payment Life

\$20,000 minimum. Especially designed for Personal Estate and Business Insurance Plans. Term Riders may be added. Disability Benefits, both Waiver and Income.

### ...Lower Rates for Women

3-year set-back in age on four major Fidelity minimum amount policies.



## The FIDELITY MUTUAL LIFE INSURANCE COMPANY

THE PARKWAY AT FAIRMOUNT AVENUE  
PHILADELPHIA, PENNSYLVANIA

## 38th ANNUAL STATEMENT

As of December 31, 1958

### ASSETS

U. S. Government Bonds .....	\$ 5,522,856.80
Public Utility Bonds .....	8,375,652.82
State, County & Other Bonds .....	8,153,364.68
Preferred Stocks .....	537,812.00
Common Stocks .....	1,018,486.83
Mortgage Loans .....	12,587,663.16
Loans to Policyowners Secured by Policy Reserves .....	2,992,762.55
Real Estate Owned (Including Home) .....	611,823.19
Real Estate Sold Under Contract .....	145,412.02
Cash in Banks .....	594,055.22
Interest Due and Accrued on Investments .....	267,391.26
Premiums in Course of Collection .....	781,703.99
Other Admitted Assets .....	42,888.00
Total Admitted Assets .....	\$41,631,872.52

### LIABILITIES

Policy Owners' Reserve Funds .....	\$35,659,488.00
Additional Policyholders' Funds .....	1,441,790.43
Reserve for Policy Claims in Process of Payment .....	56,049.40
Reserve for Premiums and Interest Paid in Advance .....	455,497.26
Reserve for Policy Dividends held on deposit and dividends payable in 1958 .....	1,496,022.47
Reserve for Taxes and Other Liabilities .....	640,002.62
Security Valuation Reserve .....	137,183.80
Total Liabilities .....	\$39,886,033.58
SURPLUS FUNDS EXCLUSIVELY FOR PROTECTION OF POLICYHOLDERS	
Unassigned Surplus Funds .....	1,545,838.94
Paid-in Capital Stock .....	200,000.00
Total .....	\$41,631,872.52

### EXCERPTS FROM THE REPORT BY

PRESIDENT W. J. BRYDEN, JR.

The year of 1958 marked another year wherein the life insurance companies played an ever increasing part in the lives of every individual whether or not that person owned any life insurance or not.

The billions of dollars of assets of the life insurance companies which are the reserves on the policy of the insured or policyowner can and do perform a double duty. The reserves, which are for the protection of the policyowner, also perform the task of making available monies for the development of new homes, offices, factories, utilities, roads and the many other benefits that we here in the United States enjoy. The Victory Life has for over 38 years taken its rightful place in the economy of the United States and is proud of its achievements.

During 1958, another outstanding year, the Victory Life issued on the lives of the people in the United States, \$26,424,191.00 of life insurance and increased its admitted assets to an all time high of \$41,780,822.52. The Victory Life now has in force in excess of \$163,000,000.00 and combining it with the Jackson Life Insurance Company with Executive Offices in Memphis, Tennessee, which the Victory Life owns, gives a total of insurance in force of \$201,714,351.00. The assets of the Victory Life are invested in conservative bonds, stocks and mortgages.

I pay tribute to our excellent field organization for the splendid work that they are doing in the field of service, for your benefit and the benefit of your company. With the splendid organization that we have dedicated to this service I am confident of the continued safe and economic growth of the Victory Life. Opportunities are available for district manager's positions with the company in the fifteen state area in which the company is licensed to operate.

## The VICTORY LIFE INSURANCE COMPANY

W. J. Bryden, Jr.,  
President

Topeka, Kansas

## Skog says...



H. P. SKOGLUND, President

### Having your wife "in the know" is important

I've been asked my advice on a question that seems to be bothering quite a number of women. The question is whether the husband should let his wife know the full details covering his life insurance.

My answer is yes, by all means. Although I may be first to champion a husband's right to handle the family financial affairs, insurance planning is one area where both husband and wife should work together.

Thankfully, planning a life insurance program has become a family affair in many homes. Husband and wife sit down with the insurance underwriter and talk over their needs for protecting the children and providing for their own long range goals.

Unfortunately, the custom is not universal. There are families where the wife knows little or nothing about her husband's life insurance, although he purchased it to protect her and the children. In an emergency, this *not knowing* could result in unnecessary anxiety for a woman. And just at a time when her judgment, courage, and inspiration are needed more than ever.

So, if you're a wife, get your husband to acquaint you with his insurance protection. If you're a husband, bring your wife up to date on your policies and plans. And if either of you needs the services of an insurance counselor, remember that he is as close as your phone.

Call on the North American representative in your area.

HELP in paving the way for successful interviews is provided North American field men by newspaper ads like this appearing nationally in Nalac markets.

It's one way Nalac's CONFIDENT LIVING\* approach is working to assure CONFIDENT SELLING for its men. Complete portfolio of Life and S&A. Ask for Brochure BO-321.

\*Exclusive North American service mark

Over  
\$3/4 Billion of  
Life Insurance  
in Force.

Home Office:  
Minneapolis, Minnesota  
Canadian Head Office:  
Hamilton, Ontario



## NORTH AMERICAN Life and Casualty Company

H. P. Skoglund—President J. E. Scholefield, CLU—Vice President, Director of Agencies

NORTH AMERICAN INSURES CONFIDENT LIVING

## Knights of Columbus

Established 1882—more than a million members

New all time highs in all phases of our program

	January 1, 1958	January 1, 1959	Increase
Subordinate Councils	4,056	4,247	191
Columbus Squire Circles	480	525	45
Membership	1,059,669	1,091,205	31,536
Insurance Members	379,583	398,851	14,268
Associate Members	680,085	697,354	17,268
Insurance in Force	\$729,702,811	\$822,637,136	\$92,934,325
Assets	\$128,692,301	\$141,871,211	\$13,178,910
Benefits Paid	\$128,020,096	\$133,777,717	\$ 5,757,621

Joseph F. Lamb  
Supreme Secretary

Columbus Plaza  
New Haven, Conn.

Luke E. Hart  
Supreme Knight

a retired major general, U.S. army medical corps, was organizer and administrator of Medicare for the Office of the Surgeon General. Mr. Marvin joined Metropolitan in 1936 and was named assistant manager of the claims division in 1952.

### Great American Reserve

Charles D. Scott, 1st vice-president, has been named executive vice-president and John D. Cromwell, secretary



J. D. Cromwell



Charles Scott

and comptroller, was promoted to vice-president and secretary.

Mr. Scott, who went with the company in 1948, succeeds C. O. Hambleton, co-founder of the company in 1935 with President Travis T. Wallace. Mr. Hambleton continues as chairman and will act in an advisory capacity.

Mr. Cromwell started with the company as an office boy 21 years ago. Orlo Karsten, vice-president and actuary, was elected to the board.

### Pacific Mutual

Ernest V. Stowell has been promoted to security analyst. He has been in the securities department since joining the company in 1950.

### Southwestern Life

James P. Swift, vice-president and general counsel, has been elected director. He has been general counsel since 1948.

### United Fidelity Life

Cedric W. Burgher, mortgage loan officer, has been elected assistant vice-president. He is the son of President Cedric Burgher. Promoted to assistant secretaries were Lucille Holiman, policy issuing department, with the company since 1923; Margaret Claypool, underwriting department, a 23-

year veteran, and Elizabeth Lancaster of the actuarial department, with the company 10 years. Trammell Crow, Dallas real estate developer and industrialist, has been elected to the board.

### FIDELITY BANKERS LIFE

has elected as directors A. Scott Anderson, mayor of Richmond and partner in the law firm of Bowles, Anderson, Boyd, Clarke & Herod; Ivor Massey, chairman of Massey, Wood & West; Richard de La Chappelle, president of Lee Higginson Corp., New York investment firm; Joseph F. Henderson, director of Universal Leaf Tobacco Co., Richmond, and Richard H. Guilford, agency vice-president of Fidelity Bankers.

**GREAT SOUTHWEST LIFE** has appointed Earl C. Brown vice-president and agency director. He has been with Prudential, American National, General Life of Arkansas, Plymouth Life and most recently Universal Life of Oklahoma as executive vice-president.

**STATE CAPITAL LIFE** of Raleigh, N. C., has promoted C. R. Darling from training director to vice-president and training director. D. C. Stephenson was promoted from assistant vice-president to vice-president.

**PERPETUAL LIFE** of Denver has appointed Milo C. Morgan president. He entered the business in 1946 with Fidelity Union Life and prior to his appointment had been vice-president and a director of Commercial & Industrial Life of Houston.

**CITADEL LIFE** has appointed Charles R. Pavey, former life manager at Louisville of Security-Connecticut group, vice-president and director of agencies.

**SECURITY LIFE OF BIRMINGHAM** has appointed George O. Howard Jr. agency vice-president. He was general agent for Coastal States Life and for First Pyramid Life of Little Rock in Jacksonville, Fla.

**ANCIENT ORDER UNITED WORKMEN** has elected Glen M. Rose grand master workman, succeeding J. F. Fogarty, who has held that position since 1917. Mr. Rose has been assistant to Mr. Fogarty.

**SECURITY AMERICAN LIFE** has promoted Marshall P. Scott, former home office manager, to treasurer and has elected him a director.

### Newark CLU Courses To Cover First Four Parts; Start April 4

NEWARK—Intensive review courses will be given here as in past years for parts I through IV of the CLU examinations, at the community house of the Second Presbyterian Church, 15 James Street.

Courses have been designed to review all important subject matter covered in each of the 30 assignments of the study guide through the medium of past examination questions.

Classes will cover parts I and IV on four consecutive Saturday mornings starting April 4 from 9:30 to 12:30. Classes for parts II and III will follow the same pattern, starting May 2.

Further information may be obtained by writing to CLU course, community house, 15 James Street.

American States Life produced \$790,457 of submitted business during field managers' "honor day" in March.



## Harmelin Puts Stress On Funding By A&S

(CONTINUED FROM PAGE 8)

a disability buy-out provision. The majority of the 45 replies to the 60 questionnaires sent out strongly favored a disability buy-out agreement funded by A&S.

A buy-and-sell agreement covering the contingency of disability should cover seven points, he said.

1. Definition of disability (tied to an A&S policy).
2. Amount of salary during disability before buy-out.
3. Length of time after which buy-out is mandatory.
4. Source of funds for the buy-out.
5. Number of installments needed to effect the buy-out.
6. Disposition of life insurance policies on both the disabled and the nondisabled part owners when the disability buy-out becomes effective.
7. Provision for the contingency of death during the period disability buy-out payments are being made.

### Illustrates Types Of Provisions

Illustrating the various possible types of provisions with actual cases from his own files, Mr. Harmelin also went into the tax considerations involved. Some are not wholly satisfactory, he admitted, but he pointed out that a disability buy-out is a matter of making the best of a bad situation even if some tax effects aren't all that could be desired. "Any business buy-out agreement, like any estate plan, should keep its eye on the primary objective of solving the major problem, not become twisted or weakened for tax advantages," he warned.

In conclusion, he stressed the sales potential in the disability buy-out approach. "It's a new approach to every partner or stockholder," he reported, "and it is the entering wedge in cases in which a death buy-out has already been funded by life insurance. Often, also, we in our agency have found that, used on a case in which there is known to be insufficient life insurance but which has resisted attempts to increase the amount, it will often result in opening up the purchase of the needed life insurance as well as new disability coverage. Further, we have never had a lapse of one of these buy-and-sell disability policies," he reported.

## Asks Better Tax Break For New Insurers

(CONTINUED FROM PAGE 8)

pany and other stock companies do not object to paying their fair share of any tax. However, we are in a highly competitive market with the mutuals which have about 75% of the assets and by far the bulk of the business. We would be very much concerned if there is any appreciable shift in the tax burden from the mutual companies to the stock companies. It is difficult enough right now for a young and small life insurance company to compete with the giants where there is equality in taxation. If we do not have this equality in taxation with the mutuals, the situation becomes well nigh unbearable, for us."

Since the proposed tax bill seems to put life companies on just about a full corporate net income basis, although part of the net gains are deferred until it is certain that they are actual gains, Mr. Acree said he thought life companies should receive the regular deductions that are allowed to other corporations, particularly tax-free interest and the 85% inter-corporate dividend.

"There is some confusion about how these deductions work out under the present bill," he said. "The way it seems to work out for us is that our companies get only about 30% credit instead of full credit for tax-free interest and for dividends received."

"There is certainly no reason why we should not receive full credit. We do not object to a limit being placed on this deduction so that we may not receive tax free that part of interest required to maintain reserves. However, we think we should receive full credit just like others do if we choose to invest our surplus funds in stocks and in tax-free securities."

"Our reserve interest is, in fact, a debt and somewhat like interest due on a bond. If a regular corporation has bonded indebtedness and also has some tax-free interest, that corporation receives full credit for its tax-free interest and does not have to allocate some of this interest to its indebtedness. We think there is discrimination against us in this respect in the bill."

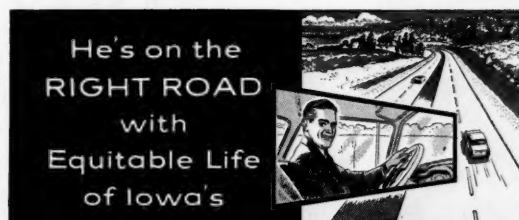
February sales of Northwestern Mutual Life totaled \$69.1 million, 17% over February, 1958.

## Butler U., Indianapolis DITC, Come To Parting Of The Ways

Indianapolis DITC, in a disagreement over class room assignments, has severed its connection with Butler University, where the council course was pilot-tested for the nation in the spring semester, 1954, and has been run every school semester since. The course has been transferred to class room facilities provided gratis by Indianapolis Life.

"As a member of the Butler alumni association," said R. W. Osler, editor The Insurance Salesman, "I regret that Butler appears insensitive to the public relations value of having its name connected with the Indianapolis course and cannot help but note an inconsistency in the fact that while soliciting the support and financial contributions of Indianapolis business men, it imposes conditions that drive them off its campus."

The spring, 1959, Indianapolis DITC course opened last month with Pasquale Quarto, formerly of LUTC and now of R&R, as instructor. Course director is Earl Mulcahy, American United home office.



## KEY TO BUSINESS SECURITY



Like the "Key to Security", the "Key to Business Security" is designed to help you do a better and sounder job of selling. It decisively dramatizes the business insurance needs of the sole proprietor, the partnership, the close corporation and the key man. It is one of many Equitable Life of Iowa's widely acclaimed sales aids designed to assist the Career Life Underwriter along the RIGHT ROAD.



**Equitable**  
LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES

## Modern Americans Want MODERN LIFE INSURANCE



Modern Americans seek the best, and keep abreast of advancements being made each day in all fields. This is the primary reason more Modern Americans are entrusting their insurance programs to Modern Woodmen life counsellors. They know these men and women represent an organization that is constantly attuned to the public's insurance needs.

Agents, knowing they represent a sound and progressive organization, add real force to their efforts. The latest in selling tools are readily available, also—outstanding sales aids, cost-sharing newspaper advertising, training schools. For both agents and policyholders who want modern life insurance, it's Modern Woodmen.



## Sell Modern Life Insurance Sell MODERN WOODMEN

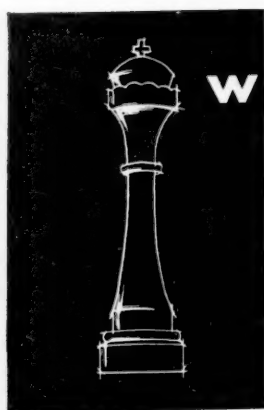
\$630,000,000 LIFE INSURANCE IN FORCE

\$850,000,000 RETURNED TO POLICYHOLDERS AND BENEFICIARIES

ASSETS EXCEED \$212,000,000

MODERN WOODMEN of America

HOME OFFICE — ROCK ISLAND, ILLINOIS



## What interests ... ...YOU?

Suppose we hired you. What would interest you most? Money? Assistance? Leads? Financing? Prestige? The Federal Life Insurance Company with a solid heritage of high performance behind them doesn't like to boast but their agents and managers are kings. They have everything a fieldman can ask for.

If you would like to join the royal court of Federal Life Kings and are willing to build us an agency of strong career underwriters in the Life and Accident and Health field write:



**EMERY HUFF, Agency Vice President  
FEDERAL LIFE INSURANCE CO.**

6100 N. Cicero Avenue  
Chicago 46, Illinois

## ACTUARIES

A

**BOWLES, ANDREWS & TOWNE, Inc.**  
ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND

**Haight, Davis & Haight, Inc.**  
Consulting Actuaries  
Insurance—Pensions  
2801 North Meridian St. 5002 Dodge St.  
Indianapolis 8, Ind. Omaha 32, Neb.

**DONALD F. CAMPBELL**  
Consulting Actuary  
188 W. Randolph St. Chicago 1, Ill.

**Milliman & Robertson, Inc.**  
Consulting Actuaries  
914 Second Ave. 400 Montgomery St.  
Seattle 4, Wash. San Francisco 4, Calif.  
210 W. Seventh St.  
Los Angeles 14, Calif.

**CHASE CONOVER & CO.**  
Consulting Actuaries  
and Insurance Accountants  
Telephone WAbash 2-3575  
332 S. Michigan Ave. Chicago 4, Ill.

**NELSON and WARREN**  
Consulting Actuaries  
Pension Consultants  
ST. LOUIS KANSAS CITY

**COATES, HERFURTH & ENGLAND**  
Consulting Actuaries  
San Francisco Denver Los Angeles

*THE Howard E. Nyhart Company*  
INCORPORATED  
CONSULTING ACTUARIES

**WILLIAM C. CONLEY**  
Consulting Actuary  
Lansing and Detroit, Michigan  
811 American Bank Bldg., Lansing 68, Mich.

**RINTYE, STRIBLING & ASSOCIATES**  
Consulting Actuaries—Insurance Accountants  
Pension Consultants  
William-Oliver Bldg. Atlanta  
Jackson 3-7771

**Lenard E. Goodfarb, F.S.A.**  
Consulting Actuary  
Market Street National Bank Building  
Philadelphia 3, Pa. Rittenhouse 6-7014

*Irwin Solomon & Co.*  
Consulting Actuaries  
Management Consultants  
342 Madison Avenue  
New York 17, N. Y.

**E. P. HIGGINS & CO.**  
(Frank M. Speakman Associates)  
Consulting Actuaries Bourse Building  
Accountants Phila. 6, Penna.

**HARRY S. TRESSEL & ASSOCIATES**  
Consulting Actuaries  
Insurance—Pensions  
10 South LaSalle Street  
Chicago 3, Illinois  
Franklin 2-4020

## Future Of Keogh-Simpson Bill Is Highlighted

(CONTINUED FROM PAGE 12)

mention of net costs and surrender values are of little, if any concern to them.

Lieut. Gov. Malcolm Wilson and Rep. Eugene J. Keogh were both scheduled to appear on the congress program, but were unable to attend because of legislative duties.

Carlyle Dunaway, general counsel of NALU, appeared in place of Rep. Keogh and reviewed the history of the Keogh-Simpson bill since it was first introduced in the House in 1951, and NALU's role in bringing the bill to its present form for this session of Congress.

Keogh-Simpson, the 1959 version of the Jenkins-Keogh bill, would give self-employed individuals a tax break in accumulating retirement funds similar to that enjoyed by employed persons under approved pension plans.

### Senate May Give Trouble

Mr. Dunaway said that chances for the bill this year are good in the House, but it may run into trouble in the Senate. The Treasury department opposes the bill, not on principle, but because passage would result in an estimated \$365 million loss in tax revenues during the first year of operations.

There are also some indications that President Eisenhower is not in favor of the bill and if the Senate passes it, he might veto it, Mr. Dunaway said. Another indication of Mr. Eisenhower's feelings is that on leaving a White House conference recently, Sen. Everett Dirksen voiced opposition to the bill, and he very likely may have been reflecting the President's sentiments.

Daniel H. Coakley, agent of New York Life at Boston, in a discussion of advanced sales ideas, said that he has become a multi-million dollar producer by rigidly following one basic rule—"Stay out of the office. Don't go near it."

Mr. Coakley's entire business day is spent in contact work, he said. If he

has any paperwork to accomplish, he arranges for his secretary to meet him in a hotel lobby where he dictates his letters and arranges for the handling of other office problems. His business day is spent circulating, in restaurants and prospects' offices, among people with the income to buy the kind of policy he is interested in selling.

He said it is necessary to know your product and believe in it, and therefore reading material from and about life industry is important. But he also urged his listeners to keep abreast of the things happening in the world of business, subjects which his prospects are most interested in.

In the morning session of the sales congress Arthur F. Priebe, agent of Penn Mutual at Rockford, Ill., outlined "My Five Favorite Fears—Prospecting, Presentations, Rated Cases, Competition and Closing," and John E. North, director of agencies of Prudential, discussed the magic formula of selling A&S coverage. John H. Furby, director of air world education of Trans-World Airlines, spoke on "Selling in the Space Age."

### Mass. Mutual Guaranteed Insurability Rider Added

Massachusetts Mutual has begun issuing its insurability protection agreement rider which may be attached to most standard policies issued between ages 0 and 37 with face amounts of \$5,000 or more.

The rider guarantees that on each option date—ages 25, 28, 31, 34, 37 and 40—a new life endowment or retirement income policy may be purchased by insured without evidence of insurability. If the face amount of the basic policy is \$10,000 or more, the maximum amount for each new policy is \$10,000. If face amount is between \$5,000 and \$10,000, the maximum purchase at each option date is equal to the face amount.

\* \* \* \* \*

**ALL AMERICAN**

**LIFE & CASUALTY COMPANY BELIEVES...**

\* "You deserve to own your own business

\* ...not just rent it!"

\* \* \* \* \*

Why not Investigate **NOW** one of the most talked about companies in America and learn the startling facts about Democracy in action—through the outstanding contracts and policies of All American Life & Casualty Company.



#### WRITE:

Mr. E. E. Ballard, President, All American Life & Casualty Company, All American Building, 505 Park Place, Park Ridge, Illinois.

**ALL AMERICAN**

*Life & Casualty Company* CHICAGO, ILLINOIS

General Offices, ALL AMERICAN BUILDING, PARK RIDGE, ILLINOIS



## Stick To Basic Truths, Agency Men Told

(CONTINUED FROM PAGE 4)

pany a quantity of quality business that will provide a reasonable profit to stockholders or policyholders. The 90% of the job he said, explaining the theme of the meeting, "Target 90," is to have a true consciousness of the business as a whole and the inter-relationship of its component parts. As market managers, agency men must improve personal organization of their time, make wise and sound market analysis, develop sound plans for short and long range manpower developments, improve human relations skills, develop greater proficiency in sound business manage-

M. K. Kenney, assistant general manager and agency director Excelsior Life, was elected chairman of the agency management conference, succeeding Micou F. Browne, vice-president of agencies Occidental Life of North Carolina.

New members of the conference committee elected for 3-year terms are J. D. Anderson, executive vice-president Guarantee Mutual; Bernard S. Lyon, superintendent of agencies Pan-American Life; and Charles E. Sherer, vice-president and director of agencies Midland Mutual.

ment. Ninety percent of the job, he said, should be involved in market management that fulfills the company objective.

### Home Office Responsible

Some people feel that home office management is responsible for the 10 percenters, Mr. Browne declared. "For example, can we truthfully say that the after effects of the family plan have been good for our industry? Recent developments on high cash values indicate there might have been a lack of ample field testing by our companies prior to extensive field promotion," he noted.

"The follow-the-leader precept may very well prove disastrous," Mr. Browne warned. As a means of immunizing against this split emotion attitude and its consequences, individual consideration and adoption through necessity must depend on each company's philosophy and long range objectives. The 90 percent, he declared, should be able to intelligently reject or accept new ideas.

J. Harry Wood, LIAMA managing director, dramatized the use a company can make of its LIAMA membership. Many questions which arise in a company can be answered by the association. The LIAMA consultant should be considered a staff member of the company's agency department, he said. "He is friendly, informed, candid and discreet. He is available the year round. The company can telephone or write to him even when he is not the person from whom to get the information, but know he is the means for putting the company in touch with the specialist at LIAMA headquarters."

Monday afternoon was given to workshop sessions. Kenneth W. Cring, Pacific National Life, moderated one on precontract training; Wylie Craig, National Fidelity Life, on manpower, and Max S. Bell, Continental American, quality business programs.

Speakers on Tuesday's program described what they thought to be the right, the wrong, and the best moves their respective companies had made. Taking part in this session were Brice F. McEuen, Lamar Life; Homer D.

Parker, Commonwealth Life; Frank L. Whitbeck, Pioneer Western Life; Charles E. Sherer, Midland Mutual; and J. D. Anderson, Guarantee Mutual.

Sandwiched between a talk Wednesday morning by S. Rains Wallace, LIAMA director of research, and the closing address by Benjamin N. Woodson, American General Life, was a hot idea session moderated by Stuart C. Ferris, Security L&A. At this meeting a number of profitable ideas submitted by companies were examined.

## 3 Times Pay-Plus Called Lowest Limit

(CONTINUED FROM PAGE 1)

of the others who attended the meeting disagreed with him.

The committee took a more conciliatory attitude toward the companies' efforts than did many of those in the audience. Some were for giving up as futile any further attempt to get the group-writing companies to agree on a ceiling. However, the acting chairman, Robert R. Reno Jr., Equitable Society, Chicago, said this would be an unjustified attitude, in view of the efforts the companies are making. He reminded the discouraged ones that there are those on the companies' committee who are anxious to have some kind of limit.

The committee approved the report prepared by Spencer L. McCarty, Provident Mutual, Albany, managing director of New York State Assn. of Life Underwriters. This noted that NALU had been represented by some members of the group committee, the president and counsel of NALU, and Mr. McCarty. The company committee was convened to review for the first time the reports of their three subcommittees on (1) taxation; (2) amount limit; (3) lateral extensions. The committee came to no conclusion on the reports.

### No Action Recommended

The NALU committee recommended against any action at the midyear meeting other than to note that the company officers are trying to arrive at some new position on group term limits and to explore their position on group dependency coverage, professional association group, veterans organization group, group mortgage life, group life on mutual fund installment plans, double dollar plans, trading stamps redeemable for life insurance

and other lateral extensions of group life.

The report incorporates a summary of the New York state association action of last November in officially disassociating itself "from any consequences that may arise in the life insurance business from the underwriting practices of the life insurance companies in so far as they apply to individual group term limits."

The group committee's report concluded: "The group committee recommends that the National Assn. of Life Underwriters, after noting the position of the New York state association, await the next step on the part of the life insurance company officers and their American Life Convention-Life Insurance Assn. joint group committee."

The implication was clear that if the companies continue to fail to arrive at any solution on ceilings a strong possibility would be for NALU to fol-

## Continental Assur. Offers Small Group

Continental Assurance has made available life and hospital-surgical-medical plans and coverages to groups of as few as 10 employees. These offerings will provide the same across the board selectivity previously available only to larger companies.

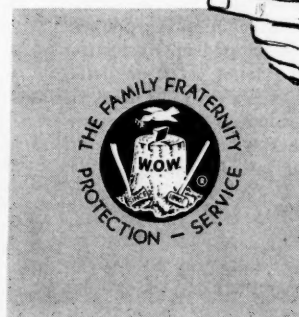
David Warshawsky, Lincoln National Life's "agent of the year" for 1958, was honored by a reception at Cleveland. Henry W. Persons, vice-president, presented him a scroll and gold medal in recognition of his fourth consecutive agent of the year award. Also on from the home office was Willard C. Brudi, 2nd vice-president.

low a course of disassociating itself from consequences, in the same fashion as New York.

lowest cost

highest quality

easiest sell



That's the Woodmen of the World formula for success. We offer the lowest rates in the business. Look at them all... compare our annual rate for a \$10,000, 20-year term certificate, age 35. The rate is just \$94.00, and average annual anticipated refunds reduce this to \$66.40 net.



FOR COMPLETE INFORMATION, WRITE

T. E. Newton  
Field Manager, Dept. N359

## WOODMEN OF THE WORLD

LIFE INSURANCE SOCIETY • HOME OFFICE: 1708 FARNAM ST. • OMAHA 2, NEBR.

## STIMULATE LIFE SALES WITH MUTUAL FUNDS!



If you could double your "interview-to-calls" wouldn't your number of closes automatically increase? Sure they would, and we can show you how the tremendous appeal of mutual funds can get you into more living rooms—resulting in a higher percentage of interviews and more life insurance sales. Let us demonstrate how you can actually stimulate your life sales with mutual fund shares—write me today.

H. J. Noel, Agency Vice-President

Standard Life Insurance Company

OF INDIANA  
INDIANAPOLIS

LIFE INSURANCE GENERAL AGENCIES OPEN IN Arizona • California • Delaware • Florida • Georgia • Illinois • Indiana • Kentucky • Maine • Maryland • Massachusetts • Michigan • Missouri • New Hampshire • New Mexico • Ohio • Pennsylvania • Tennessee • Virginia • West Virginia • D. of C. • Hawaii

## Editorial Comment

### Insurance Patois Even Fools Experts

The financial copy-desk of a big metropolitan daily recently changed "net gains" to "net income" in the story a financial reporter had written about a life company's financial statement. It took quite a lot of insistence from the reporter, including corroboration from the company's home office, to convince the copy-editor that "net gains" are not the same as "net income."

If such a thing can happen on one of the nation's leading papers, what is likely to happen to insurance stories on papers where the entire financial department consists of an editor who also handles news of real estate and commodities?

Parenthetically, it might be remarked that probably the reason that smaller papers don't cause more such trouble than they do is that a smaller paper is more likely to use an annual statement news release—if it uses it at all—pretty much in the shape it was sent out, rather than trying to have a rewrite man analyze it and recast it in his own language.

Nevertheless, it is still a disturbing thought to realize that a full-time financial copy-editor on a big paper can so readily be tripped up by insurance terms that do not seem particularly abstruse to those in the business. The incident suggests that if such people need a better understanding of life insurance terminology, maybe the readers need it even more. It also suggests that financial writers and readers of the financial pages, far from being helped by a general knowledge of financial terminology, may be worse off than the man who is innocent of either financial or life insurance patois. Enough terms are used with different meanings in life insurance than they have in other forms of finance to constitute a trap for the unwary.

Many readers and doubtless nearly all financial writers and editors are aware that the "dividend" on a life insurance policy is something quite different from the "dividend" on a share of stock. But what about "reserves"? The "legal reserve" behind a policy contract has a highly technical meaning in life insurance and is something not found in the usual corporate structure. On the other hand, life companies do hold reserves that are somewhat similar to the reserves held by general corporations.

It would seem as if a good precaution in preparing news releases for the daily papers would be to include at least a few words of explanation of those terms that mean one thing in life insurance and something else in other types of corporations. Another precaution might be to avoid using these dual-meaning words and simply explain what certain items are for. Some life companies are already doing this.

In the city where the company has its home office, there is a fine opportunity for the public relations man to invite the local financial editors to the home office and give them a real

insight into how a life company operates and an explanation of what life insurance technical terms mean in a functional way. Every company that does this is benefiting not only itself but the life insurance business generally.

Many newspaper reporters, even those who think that they have a bent for financial writing, seem to find life insurance a rather formidable subject. They need all the friendly help and education they can get from home office public relations departments. They particularly need to know that there is a quickly available source of information for questions they may have regarding life insurance.

Unfortunately, there are many more cities having newspapers that deal with life insurance news than there are cities that have life company home offices. In view of this, the writing of news releases in such a way that the financial editor's background will not mislead him into misunderstanding life insurance terminology is probably the best available insurance against a release's being mishandled or not used at all.—R.B.M.

## Personals

**James Terzian**, a member of the advertising and press relations department of Equitable Society, has written "Caravan from Ararat," a novel of adventure and conflict on the high seas, scheduled for release April 1 by Muhlenberg Press, Philadelphia.

**K. E. Williamson**, Massachusetts Mutual general agent at Peoria, has been elected president of the University of Illinois board of trustees. He is a 1921 graduate of the university.

### Conduct Code Given Mich. Department Employees

LANSING—Employees of the Michigan department have been given a code of conduct by Commissioner Blackford, which warns against acceptance of "any gift or favor which might reasonably be interpreted as influencing the performance of his official duties."

Other points are: No employees will engage in business activities which are incompatible with the duties of employment; no employee will engage in outside employment for personal profit which tends in any way to interfere with his department duties, and employees are expected to be consistently diligent, cooperative, courteous and tactful.

The directive cautions that failure to comply will result in disciplinary action ranging from warning to dismissal.

**Dr. John S. Pearson**, medical director American United Life, will be the principal speaker at the March 23 meeting of Oklahoma Assn. of Life Underwriters at Oklahoma City. His topic will be "Medical Advances—Their Effect on Underwriting."

## Deaths

### Hubbell, President Of Equitable Of Iowa For 20 Years, Dies

Frederick W. Hubbell, 67, president of Equitable Life of Iowa,



F. W. Hubbell

died at Fort Lauderdale, Fla., while on vacation there with Mrs. Hubbell. He had been in ill health for some time but had continued his normal activity as chief executive of the company. He was the third generation member of the family to hold the presidency of Equitable of Iowa and had spent his entire business career with the company. He was the oldest employee in length of service.

The company was formed in 1867 by his grandfather, the late Frederick M. Hubbell, and a small group of other Des Moines pioneers. Frederick W. Hubbell's father, the late Frederick C. Hubbell, was president and held other executive posts in his 40 years with the company.

Frederick W. Hubbell spent his summer vacations working in various company departments while still in college, joining the company full-time as assistant treasurer in 1913. He became treasurer in 1916, vice-president and treasurer in 1921 and succeeded the late Henry S. Nollen as president in 1939.

Mr. Hubbell was president of American Life Convention in 1954 and chairman of Institute of Life Insurance 1950-51. He had been on the executive committee of the former Life Presidents Assn., now Life Insurance Assn. of America, of which he was also a director; an ALC executive committee member and chairman of the joint ALC-LIAA committee on valuation of assets from 1947 to 1957.

A leader in business and civic affairs of Des Moines, Mr. Hubbell, was nationally known as a breeder and exhibitor of prize-winning, purebred Shorthorn cattle. This hobby and avocation he carried on for 27 years from 1927 to 1954.

**JAMES CASE**, 92, retired general agent at Texarkana, Tex., of Equitable Society, died at Springfield, Mo.

**LESTER D. HAYS**, secretary-treasurer of Farmers & Traders Life, died.

### Laundry Workers Release '58 Welfare Fund Report

The annual report of the welfare fund of Laundry, Dry Cleaning & Dye House Workers' International Union has been released to the public. Assets rose \$163,185 to \$4,097,103 during the 1958 fiscal year.

Claims of \$2,380,126 were paid or set aside for 12,185 insured members under the A&S and natural death coverages. The program has a membership of 55,000 workers, and the insurer, California Life, pays no commission on the business placed by the fund's administrative department.

Paid-for business of American Mutual Life in February was 21% above February, 1958.

## The NATIONAL UNDERWRITER



The National Weekly Newspaper of Life Insurance

### EDITORIAL OFFICE

17 John St., New York 38, N. Y.  
Tel. BEekman 3-3958 TWX NY 1-300  
Executive Editor: Robert B. Mitchell  
Assistant Editor: William Macfarlane

### CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAabash 2-2704 TWX CG 64  
Associate Editor: John C. Burridge  
Assistant Editors: Richard G. Ebel, William H. Faltyssek and R. R. Cusaden  
Editorial Assistants: Marjorie Freed (production) and Barbara Swisher

### ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAabash 2-2704 TWX CG 64  
Advertising Manager: Raymond J. O'Brien

### SUBSCRIPTION OFFICE

420 E. Fourth St., Cincinnati 2, Ohio  
Telephone Parkway 1-2140

### OFFICERS

John Z. Herschede, President  
Louis H. Martin, Vice-President  
Leslie A. Meek, Secretary  
420 E. Fourth St., Cincinnati 2, Ohio  
Telephone Parkway 1-2140

### SALES OFFICES

ATLANTA 3, GA.—333 Candler Bldg., Tel. Murray 8-7177. Fred Baker, Southeastern Manager.

BOSTON 10, MASS.—80 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and Dan L. Davis, Northern New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. WAabash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wiegman and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Roy Rosenquist, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—328 Interurban Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

### CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.



## Urges Changing Credit Provisions

(CONTINUED FROM PAGE 1)

and are thereby effectively prevented from reducing their phase 1 taxable income by phase 2 negatives. For example: There is little likelihood that Connecticut General could ever reduce its phase 1 tax by phase 2 negatives as the bill now stands. We would first have to cancel off more than \$30 million in policyholder dividends, rate credits and the like.

"A reasonable solution," he said "would be to permit companies to apply phase 2 negatives, to the extent they are not allowable to reduce phase 1 taxable income, to reduce phase 2 gains of other years. Such phase 2 negatives would be applied to phase 2 taxable income of other years under appropriate carryover and carryback provisions. Thus, all companies which in good years are paying taxes under phase 2 would have an equitable offset resulting from a poor year."

Turning to a discussion of the effects of federal taxation on competition between stock and mutual companies, Mr. Eddy said that the bill raises the portion of the total federal tax to be paid by stock companies from "the traditional 25% to more than 30%."

"The percentage payable by stock companies will be about 32% in the event that the five-year average interest rate is substituted in phase 1, which is a change generally supported by both stocks and mutuals. We believe that the shift in the burden of taxation from 25% to 32% is just about as much as the stock companies can bear, and any further shift might well prove disastrous to stock life insurance. The seven point increase from 25% to 32% may appear to be a small increase, but percentage-wise it is 28% which is a very large increase, especially when applied to a much enlarged tax base."

### Bill Maintains Reasonable Balance

As to amendments to the bill proposed in earlier hearings, Mr. Eddy said, "Connecticut General definitely favors the general pattern of H.R. 4245 as it passed the House. We feel that in its present form the bill maintains reasonable balance in taxation between stock and mutual companies. Elements that are vital in the present bill are pension relief, the allowances on account of non-participating insurance and group insurance and the deferment of a portion of the tax from phase 2 to phase 3."

"In modification of the bill we think that the five-year average in interest rate should be substituted for the artificial mean which is now in the bill and which is based in part on an industry or so-called global average. Also, we suggest that consideration be given to the carrybacks and carryovers of phase 2 negatives which we have outlined. Finally, we think that further relief for small and young companies such as others have suggested in their testimony would be most beneficial and desirable."

## Asks Bill As Curb On Twisting Abuses

(CONTINUED FROM PAGE 2)

now sometimes offer advantages that cannot be obtained by an old policy's revision.

"It is no longer a truism that a policyholder's interests will be better served by an existing policy than by the replacement with one of a new issue. There are many factors that may make a replacement a practical and prudent transaction.

### Accepted Interpretation Inaccurate

"In this area, the usually accepted interpretation of what constitutes 'twisting' and/or 'replacement' should not be applied, as it would not be an unethical practice. Only if the facts were misrepresented so as to make the replacement a more attractive move would the agent be guilty of unethical practice."

"Under the laws, regulations and rulings of the states and of the state insurance departments, it is now necessary to consider intent and purpose rather than the letter of the law. This is a most difficult position for the commissioner. It also makes it difficult to produce the evidence of malpractice necessary to penalize the wrongdoer."

The draft report pointed out that twisting, replacement, substitution, misrepresentation and like practices "have been on the increase to such an alarming extent that if not checked they could be the beginning of a general breakdown of the moral and honorable practices that are the foundation of the public trust and faith in the institution of life insurance."

The committee stated that it was convinced that every effort toward correction must be made within the industry without waiting for the institution of onerous and inflexible controls of government. It believes the means can be devised if the companies and field forces have the will to insist that these practices cannot be tolerated.

### Courage The First Requisite

The committee also stated its belief that the first requisite is courage—courage to refuse to take business even though some other company might take it, and courage to hold up the issuance of a policy so as to find out more about the conditions of the sale or the reasonableness of the amount applied for, and finally courage to withstand the pressures of sales forces to bring out specially designed policies and enter into the promotion of the type of sale which fosters abuses and disregards the ethical standards of the industry.

The committee's preliminary report recommended that NALU express opposition to the issue and sale of life insurance policies that have a "built-in" premium payment arrangement based upon a schedule for the automatic borrowing of policy cash values; further, that NALU use every facility to make such opposition known to the life insurance industry and to the public that it serves.

## REINSURANCE

### A & S PROGRESS —

Built on careful planning.

Reinsurance is inevitably a factor, and it's logical to confer with Employers Re—on both planning and Reinsurance custom-built to your requirements.

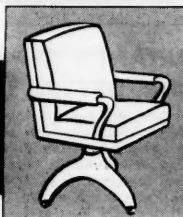
## EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI  
21 West 10th St.

NEW YORK  
107 William St.

CHICAGO  
175 W. Jackson

SAN FRANCISCO  
100 Bush St.



*an empty chair...  
for the man  
who seldom uses one*

Aching for action—on your own? Then you could be "sitting pretty" with Wisconsin National Life. We have some choice locations for men of action—men who prefer hot opportunities to warm office chairs. It's a thrilling challenge. And WNL offers you "success insurance" with excellent training facilities, sales aids, and policy service extraordinary... PLUS the security of:

- Attractive agency contracts with liberal renewals.
- Lifetime service fees!
- Retirement Income Plan
- Group Life Insurance
- Major Medical Disability Plan

Find out more about opportunities in Midwest locations. Write to L. B. Van Treese, Vice President and Director of Agencies.

**WISCONSIN NATIONAL LIFE**  
INSURANCE COMPANY  
OMROSH, WISCONSIN



**CENTRALIZE**  
your INSURANCE NEEDS with  
**CENTRAL**  
**ASSURANCE COMPANY**

COLUMBUS, OHIO

JOHN D. SHAFER, President

LIFE • ACCIDENT AND HEALTH • Agencies — Ohio • Indiana • Virginia



## Raps Assumed Interest Rate Basis In Tax Bill

(CONTINUED FROM PAGE 16)

grows, to safety margins for the protection of policyholders. This recognizes one of the most important aspects of life insurance business: the pressing necessity for safety margins beyond the policy reserves required by law, he said. It also recognizes the practical differences between guaranteed cost or non-participating life insurance, from the participating type, and largely eliminates the danger that non-participating insurance can be injured com-

petitively through underpricing due to a tax advantage.

"I believe that under this bill, non-participating companies can live and grow, while paying full corporate tax on all earnings (although some part may be deferred), but the deductions under phase 2 are a vital part of that competitive balance.

"If the 10% deduction of the increase in non-participating reserves; the 2% deduction of group insurance

premiums; and the deferment of the top or part of the income under phase 2 are changed, it will be a very difficult matter for non-participating companies to maintain the degree of safety needed for competitive purposes. We must have substantial equality with the mutual companies."

Mr. Taylor said that in one respect phase 2 still does not do justice in its limitations on the deductibility of interest exempt from taxation and upon the intercorporate dividend interest. The reason for these limitations is to prevent double deductions, the theory being that a deduction having been allowed for the policy reserve interest, whether invested in tax exempt securities or not, deduction under phase 2 would constitute a second deduction.

### Practical Side Of Question

"The practical side of the question seems to me this," Mr. Taylor said. "As the bill is written a life insurance company in deciding whether or not to buy tax exempt securities or stocks instead of taxable securities faces a different set of figures than a bank or other type corporation. A bank asks itself, shall we buy a corporate bond which after tax will net us 48 cents on the dollar of interest, or shall we buy a lower yielding municipal bond which will net us 100 cents on the dollar of interest?"

"The life insurance company, on the other hand, once it has investments that produce interest to the point of its policy reserve interest deduction, asks itself a different question: Shall we buy the corporate bond on which the net return is 48 cents on the dollar, or a lower yielding tax exempt security when, after taxes, the interest income is reduced to something like 65 cents on the dollar?"

"It does not seem to me that the same treatment on tax exempt interest and intercorporate dividend credits is given the life insurance business by the tax bill as is given other corporations by other sections of the law, and I respectfully urge that you give it further consideration and grant equality of treatment."

### Cal. Blue Cross To Try Insuring Persons Over 65

California Physicians Service (Blue Shield) is initiating an experimental health insurance plan for persons over 65. There are 1,217,000 people in the state in this age group.

The plan will pay for surgery, diagnostic visits and laboratory services and for 50 office consultations a year. It will not cover hospitalization. Rates have not been determined but patients tentatively would pay \$1 for office and hospital visits and \$2 for house calls with Blue Shield paying the balance. Doctors of California Medical Assn. have agreed to scale their fees down to 60% of standard.

### State Mutual February Individual Paid Production Is \$17,320,000

State Mutual Life's individual life paid production in February was \$17,320,000, up 27%. Individual A&S premiums gained 81%. Estimated annual premiums and deposits for group coverage for the first two months of 1959 were \$1.4 million, a gain of 126%.

### GROUP UNDERWRITER

Growing Midwestern Life Company has excellent opportunity in Group Underwriting. Person will need minimum of three to four years Group Underwriting experience either in Home Office or large Field Office. Please reply giving experience, background and salary requirements, to Box F-19, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## Report Gives Proposal For Committee Lineup

(CONTINUED FROM PAGE 16)

the committee would then revise the duties of standing committees accordingly for presentation to the annual convention in September.

The other proposed amendments for action at the midyear meeting were principally to clear up ambiguities and discrepancies which have shown up in the new constitution and by-laws adopted last September at Dallas.

One of these is an amendment to article XI of the constitution. This would give the tenure of the standing committee, i.e. until the annual convention following the committee's appointment. Section III would be amended to give the president the power to appoint "other committees" than the standing committees. In the past, the by-laws committee pointed out, the board has automatically voted the president this authority. The by-laws chairman, David M. Blumberg, Massachusetts Mutual, Knoxville, Tenn., said he believed the constitution should give the president this authority, as do the constitutions of associations similar to NALU.

### National Committeemen's Tenure

Section VIII of article I of the by-laws would be amended to make it clear that national committeemen are to serve for a three-year period.

The report concluded: "It is your chairman's idea that the following three topics should be high on the agenda for discussion at our committee meeting in Minneapolis: (1) possible revision of the election procedure for our nominating committee; (2) discussion of possible changes in the method of electing trustees; (3) a revision of our model form for local association by-laws."

### Metropolitan Life Seeks To Have Metropolitan Ins. Co. Change Its Name

Metropolitan Life has filed suit in U. S. district court at Chicago to cause Metropolitan Ins. Co. of Chicago to quit using that name.

Metropolitan is the rejuvenated Highway Ins. Co., which has undergone changes in ownership and has had a face lifting following the loss of more than \$2 million from the treasury in an embezzlement.

### Prudential 1958 Leaders Receive Production Awards

Prudential has awarded two president's trophies and 15 president's citations to leading ordinary agencies. The trophy for leadership in all round accomplishment went to the Seattle agency, headed by Lewis C. Yount, and the trophy for leadership in brokerage accomplishment was won by the Alford agency, Chicago.

Citations for performance were awarded to the following agencies and managers: Jacksonville, L. Cottrell Tally; Kansas City, Glen S. Baker; Washington, James W. Merritt; Hawaiian, Glen A. McTaggart; Richmond, Harry S. Greene; Los Angeles, Jack White; San Diego, Clark W. Smith; New Orleans, Sidney L. Marks; Tampa, H. Willard Johnson; Miami, V. Richard King; Milwaukee, John J. Frey; St. Paul, Earl A. Elide; Union City, Jay L. Kaplove; Raleigh, Lucian A. Peacock; SWHO (Houston) brokerage, Frank B. Falkstein.

February sales of Homesteaders Life were 45.3% over February, 1958.

## WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance. THE NATIONAL UNDERWRITER—LIFE EDITION

## AGENCY MANAGER

One of America's large Life Insurance Companies has completed plans for establishing two new agencies. Attractive salary plus incentive for building organization. All expenses including offices, clerical help, agent financing, and the best Unit Supervisor plan paid by Company with no financial risk to Manager. Tested recruiting, training, sales promotion and other management tools provided. Expert Home Office assistance. Write Box F-21, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill., for personal interview. Replies will be held in strictest confidence and under no circumstances will your company be contacted. Members of our organization know about this ad.

### Home Office REGIONAL SUPERINTENDENT

Well established midwest Life Company entering expansion program, now interviewing men capable of Recruiting, Developing and Supervising new agencies. Prefer a man acquainted or residing in Ohio. Substantial salary, liberal overwriting and expenses. Replies held in strict confidence. Send complete résumé to Box F-5, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### AVAILABLE Public Relations Exec.

Top insurance public relations director with several awards, industry "firsts", and sales force plaudits. Organized "p.r." for major life co.; will relocate at management level. Experience in employee, community, policyholder relations as well as in recruiting, editing, 10 year background includes adv. & sales promotion. Excellent speaker. For highest references and complete résumé write to Box F-20, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### Wanted to Buy

Controlling interest in small life insurance co. Must be at least 10 years old. Replies held in strict confidence. Brokers Protected.

Sanford M. Lampi, Esq.  
Law and Finance Bldg.  
Pittsburgh, Penna.

### INSURANCE EXPERIENCE HOME OFFICE IN OHIO

Requires Life, Accident, Sickness, Home Office experience, particularly Sales Management and Training; ability to establish entirely new organization and direct its operations. College education preferred. Age 38-45. Replies confidential. Reply Box E-74, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

### AGENCY ASSISTANT

Here is an unusual opportunity for a Life man, 25 to 35, interested in training-creative-promotional work . . . someone qualified for rapid advancement to a key home office agency department position with one of America's largest and fastest growing Life insurance companies. Home office, Chicago. Salary open. Send résumé in confidence to Box E-79, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Group Insurance Administrator — Male or Female. One of the leading pension and insurance consulting firms in New York City offers an opportunity in its fast growing Group Insurance Dept. Applicant must have experience with administration of Group Insurance including Life, Accident and Sickness, Hospital, Major Medical, etc., and be able to handle administration from inception of case through recurring reports, including retention studies. In reply please indicate experience and desired starting salary. Reply Box NY-7, c/o The National Underwriter Co., Adv. Dept., 17 John St., New York 38, N.Y.

### A & H EXECUTIVE

Young married man desires position as State Manager or Agency Director in the South. Thoroughly experienced in A & H and opening new states. Excellent past records and background. All replies confidential. Write Box F-17, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.



## Inflation Is Concern At NALU Midyear

(CONTINUED FROM PAGE 1)

on seven advertisements to appear in 575 newspapers by June 1. These will be supplemented by a kit of materials to be used by life underwriter associations. Mr. Barnes distributed some of the material and said the kits would be in the hands of local association presidents soon.

### To Run In 3 Magazines

In addition there will be advertisements in Time, Newsweek and U. S. News & World Report urging people in fields other than life insurance to bestir themselves in combating inflation. However, said Mr. Barnes, whether the campaign succeeds in "making a dent" will depend mainly on the field forces of life insurance.

"All we can do is to make the bullets," he said. "You in the field shoot the gun. We hope you'll be with us, because this is the biggest gun and the biggest target we've ever had."

The council also adopted a resolution on the pending life company tax bill. It asked that Congress amend the bill so that if enacted it "will exact from the life insurance industry for the year 1958 a federal income tax which will not exceed the amount estimated (\$500 million) for such tax in the president's balanced budget as submitted by him for the fiscal year 1960 and which in subsequent years will be substantially less than would be produced by HR 4245 in its present form."

The resolution was presented by Past President David B. Fluegelman, general agent of Connecticut Mutual at New York.

### Chicago 1962 Convention City

The NALU board accepted the invitation of the Chicago association to hold the 1962 annual meeting in Chicago the week of Aug. 26. The convention hotel will be the Conrad Hilton. Roy Simon, Penn Mutual Life who presented the invitation, pointed out that because of the hotel's capacity, it would be possible for the first time in modern NALU history to house everybody and all the meetings in a single hotel. The hotel is completely air-conditioned, he commented.

The invitation of Fort Lauderdale, Fla., was accepted for the 1961 mid-year meeting, to be held in April. Except for the 1962 midyear, all NALU annual and midyear meetings now are scheduled through 1962. This year's annual will be in Philadelphia Sept. 20-25. The 1960 midyear will be in Louisville in March, the 1960 annual at Washington in September, and the 1961 annual will be in Denver in September.

### Building Ready By Next March

Arthur W. Defenderfer, John Hancock, Washington, D. C., building committee chairman, said the building NALU has purchased for its headquarters should be ready for occupancy by March, 1960, at the latest. This is at least six months earlier than the time promised in Mr. Defenderfer's report at the annual meeting last year. President Pritchard praised highly the work of the building committee. He mentioned the need for additional financing and urged that as many as possible become charter builders by contributing \$100 or more.

The nearest thing to a controversy in a national council meeting marked by an almost unprecedented lack of it came in a proposal for a resolution to

affirm NALU's faith in the present system of state supervision of insurance. The resolution was offered—by Past President A. Jack Nussbaum, Massachusetts Mutual, Milwaukee—out of concern about remarks of Trustee Paul Green, Aetna Life, Seattle, on the agents forum the previous evening. Mr. Green spoke out strongly for federal regulation of insurance and said regulation is good only in five or six states, which he did not identify.

### Resolution Withdrawn

Mr. Green protested against the resolution, as did Trustee R. W. Frye, Northwestern Mutual, Denver. Mr. Nussbaum withdrew it at the suggestion of President Pritchard after Roy Simon said the agents forums are deliberately set up to stimulate controversy and it would be in poor taste to

pass a resolution taking issue with a forum speaker's comments.

As Mr. Pritchard pointed out, the lack of comment from the floor on most of the committee reports was not due to lack of interest but to the fact that questions were threshed out in the lively and well attended committee meetings.

### Deadline For Candidates June 30

Philip Hoche, Kansas City Life, Orlando, chairman of the nominating committee, urged that names of candidates be submitted to the committee. A suggested deadline date of June 30 was acceptable to the council.

R. L. McMillon, Business Men's Assurance, Abilene, Tex., membership chairman, told of the committee's plans for achieving a 10% increase in membership to bring the total enrollment to 85,000.

Sessions of the General Agents & Managers Conference and other activities will be reported in next week's issue.

## Continental Says A&S Cover Was Approved

(CONTINUED FROM PAGE 2)

Credit Life, it applies to Continental Casualty and all companies selling credit insurance. This, Mr. McGrath argues, precludes the Thatcher action.

He said further that for more than 10 years A&S insurers have been required by New York statute to file forms, and the superintendent has had the power to disapprove any of them if the benefits were unreasonable in relation to the premium. The form Continental Casualty uses was approved by the department July 18, 1956.

Apparently, he said, it is the superintendent's present position that the 1958 amendment has changed the legal requirements applicable to credit policies and rates so as to require discontinuance of their use. There is no statutory base for this position. But even if there were, the superintendent is not justified in disregarding due process. He still must withdraw approval of forms and rates and the insurer gets a minimum of 90 days after notice in which to comply.

### Cannot Outlaw Use

The superintendent cannot preemptorily outlaw the use of approved forms, which is exactly what he's trying to do, Mr. McGrath charged.

The Thatcher affidavit contains broad allegations of improper conduct by Continental Casualty and a large part of the business generally, Mr. McGrath said. These allegations are not on the basis of Continental Casualty's present activities but on alleged abuses by the industry in years past in the credit insurance field in other parts of the country, abuses to which the company denies past or present guilt.

### Terms Allegations Unsupported

These broad, unsupported allegations have nothing to do with the complaint and should not have been made, he declared. They can only operate to prejudice the competitive position of the company in a highly competitive industry. Its rates and form have been approved for 2½ years in all that time the department has never attempted to have the rates reduced on grounds of excessiveness.

Continental Casualty has shown scrupulous regard for letter and spirit of the applicable statute, he said. The department has failed to meet any, much less all, of the tests required for a preliminary injunction.

Paul E. Singer, assistant vice-presi-

dent and chief actuary of the company, pointed out that the customary standard of reasonableness for individual A&S as recommended by the commissioners and applied by the New York department is an ultimate loss ratio of about 50%. For certain classes of policies, a lower standard is permitted. The rates for the company's credit A&S were predicated on a 50% ultimate loss ratio, and New York approved them on this basis. The policy form under attack anticipated a loss ratio of 45 to 50%. For the three years 1956-58 on the \$180,000 of business done in New York the ratio was 48.

### Cites 1956 Loss Ratio

The 1956 national loss ratio cited by Mr. Thatcher for all the company's credit A&S is misleading, Mr. Singer said, because it included a number of forms not used in New York.

He said he was aware of the loss and expense ratios characteristic of group disability since his company is a major writer of it. But it is meaningless to compare such ratios with those of individual credit A&S since all the circumstances of the sale, issue and handling of the latter are more analogous with other individual policies than with group. In the past the New York department has accepted that fact, he declared.

### Denies Allegations

Maurice R. Greenberg, assistant vice-president and counsel, denied that Continental Casualty is guilty of the broad general allegations made by Mr. Thatcher. The charge of coercion and intimidation is not applicable to the company because its credit A&S is sold only to eligible debtors on a voluntary basis. Its purchase is the personal choice of the particular debtor.

The company does not fail to inform insured of coverage. Debtors are given evidence of insurance by delivery of an A&S policy by Continental Casualty. The policy states the benefits, the term and the premium. Consequently it also is not true that it avoids claims by failing to inform insured.

Commissions the company pays are comparable with the business as a whole for individual credit A&S and other forms of individual A&S, Mr. Greenberg declared.

The company does not put excessive amounts of cover in force. The amount is limited to what will produce benefits equal to the amount of debt.

## 1958 Statements Show Additional Gains

(CONTINUED FROM PAGE 4)

reserve, reached \$7,668,533. Reserve for 1959 dividends was set at \$2,150,000. Policies issued came to 17,699, with the average being \$4,029.

### MARYLAND LIFE

Maryland Life sales in 1958 were \$12,121,688, up 50%, and assets at year-end were in excess of \$8 million with capital and surplus of over \$1 million. Insurance in force climbed to \$38 million.

### MODERN WOODMEN

Modern Woodmen wrote \$85,392,600 of business in 1958, an increase of \$5.5 million, bringing life insurance in force to \$628,336,407. Assets rose more than \$6.5 million to \$211,152,346. Total income was \$25,076,110 with \$8,706,901 net investment income, reflecting an average 4.30% interest return.

Payments amounted to \$22,772,649 of which 78% went to policyholders and beneficiaries.

### MUTUAL BENEFIT LIFE

Assets of Mutual Benefit Life increased more than \$54 million in 1958 to \$1,780,882,000, and earnings on invested assets were up to 3.89% before federal income taxes. Net rate on new investments was 4.65% before federal income taxes as against 4.50% in 1957. Gross rate on new investments was 4.99%, up 16 basis points.

Insurance in force at year-end was \$4,503,000,000 and total sales for the year were \$592,323,000, a record, of which ordinary sales were \$520,782,000, up 27%. Dividends declared for 1959 were \$30.1 million up from \$28.6 million in 1958.

Benefit payments to living policyholders were \$83,218,000, as against \$76 million in 1957. Death benefits were \$42,530,000, down more than \$1 million.

Surplus at year-end was \$64,711,334, a gain of \$4,940,188. Mortgage and real estate investments, totaled \$763 million and ownership of stocks and bonds rose to \$873 million. Holdings in U. S. government securities were \$84,593,000, down 3.3%. At year-end common stocks held by Mutual Benefit totaled slightly under .5% of total assets or \$6,583,000, and preferred stocks were 2.7% of assets or \$49,025,000. Mortgage and real estate holdings increased some \$26 million and represented some 43% of assets, and mortgage loans were 38% of assets.

### SECURITY BENEFIT LIFE

Insurance in force of Security Benefit Life increased \$29 million in 1958 to more than \$351 million at year end. Assets rose \$4 million to \$54 million.

### WASHINGTON NATIONAL

Life issued by Washington National in 1958 totaled \$313,559,412, raising the in-force figure to \$1,689,330,485. Assets were \$267,966,691, an increase of \$18,854,334. Reserves and other liabilities were \$207,382,451 and policyholders surplus \$60,584,240. Benefit payments amounted to \$38,480,101, up more than \$2,800,000. Premium income was \$78,300,924, \$42,565,311 being A&S and the balance life. During the year a \$4-million building program was launched which incorporates an addition to the home office and reconstruction of the company-owned garage.

## HIS SUCCESS IS RIGHT ON SCHEDULE



It was only 4½ years ago that Harry H. Hachen, Jr., was graduated with Honors from the University of Cincinnati. His decision then to enter the life insurance field was based largely upon the advice of his psychology professor. It was good advice. Already, Harry is one of the nation's most productive life underwriters, with sales exceeding *one million dollars* during each of the past two years.

As a member of The Union Central's Cincinnati Agency, he has earned his Company's highest recognitions — qualifying twice for the distinguished President's Club and four times for the celebrated \$500,000 Club. And recently, as a result of his remarkable sales record, he was appointed Agency

Supervisor with the challenging responsibility of recruiting and training new underwriters.

If there's a single answer to why Harry has accomplished so much so quickly, it's probably as simple as this: *organized planning*. He makes the most of his time. But Harry has an additional answer: the encouragement and direction he has received from Manager Judd C. Benson.

And Mr. Benson will tell you that Harry's rapid progress is a natural result of his inherent sales ability and determination, his interest in people and his conviction that "counseling people relative to their financial well-being is the number one profession any man or woman can select."



Harry Hachen discusses his Company's recruiting and training program with Ralph Murray, Supervisor of Placement Service at the University of Cincinnati, and Lucien Cohen, Professor in Psychology. Through his unique course in Employment Psychology, Professor Cohen has directed many young men and women into successful careers.

In 4½ years, Harry has qualified for six major Company conventions. Here, he appears with his wife, Marilyn, at the Manoir Richelieu, Quebec, Canada. And despite a demanding career, he also finds time to sing in the Temple Shalom choir, participate in alumni affairs of Sigma Alpha Mu fraternity, serve as chairman of the Hillel Adult Board and member of Jewish Vocational Service Placement Committee.

At the Hebrew Union College-Jewish Institute of Religion, Harry enjoys lunch with three young clients, (l. to r.) Joe Karasick, Ed Friedman and Bill Gordon. Harry administers Student Association Life Insurance Plans for Cincinnati and New York Schools of HUC-JIR.



**THE UNION CENTRAL LIFE INSURANCE COMPANY • CINCINNATI**

Security for the American Family since 1867

63rd

NAL

Le

Le

B

Wh  
Nation  
midye  
on th  
the a  
prob  
confi  
came  
from  
Schri  
the na  
Ref

give  
am su  
Schri

"Wh  
great  
than  
rents  
that  
divide  
regard  
LUTC  
stitute  
and th  
are un

Led T

"I h  
cently  
other  
to em  
dence,  
tion, i  
chaoti  
genera  
our m  
lack o  
compa  
led to  
justifi

"An  
it isn'  
Disrae  
critica  
wife, I

"Th  
has be  
all se  
throug  
down  
shall  
therein

Ord  
Sal  
Hit

HAR  
000,000  
\$3,691,  
ruary  
Ordina  
were \$  
total s  
7%.

Grou  
tions t  
\$831 m  
and fo  
000,000  
Indu  
\$531 m  
for th  
million